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HK190417 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50, 15 Dec 86 p 28

["Special Dispatch" from Cairo by Chen Ruining (7115 3843 1337): "A Trial of Strength Between the United States and the Soviet Union in the Middle East"]

[Text] During 1986 the contention for the Middle East between the United States and the Soviet Union has been increasing steadily. The United States has made continuous efforts to maintain the advantage that it won there. Instead of following its past ossified foreign policy, the Soviet Union has adopted some flexible tactics in an attempt to extricate itself from a passive position.

The principal U.S. practice is to strike blows at the Soviet-backed radical countries such as Libya and Syria by means of opposing terrorism, while making every effort to win over Egypt, Jordan, Morocco and other moderate countries and to encourage them to develop relations with Israel, in an effort to maintain the U.S. status of monopolizing the Middle East peace process and to exclude the Soviet Union. In the Gulf region, the United States employs two-faced tactics. In the open it supports Arab countries to thwart the threat of enlarging the scale of the present war by Iran, and in secret it has supplied weapons for Iran in an attempt to seek the forces willing to cooperate with the United States.

In March and April, the United States twice launched air raids against Libya on the pretence of punishing Libyan terrorists, but in fact it intended to get rid of Mu'ammar al-Qadhdhafi. At the same time, it wanted to "remind" the Soviet Union through the air raid that it should not establish its missile bases on the south bank of the Mediterranean, otherwise the United States will destroy them by force. The United States adopted the same tactics with Syria. It also intended to deal blows at Syria by opposing terrorism but it left some margin. After Britain severed diplomatic relations with Syria, the United States seized the opportunity to exert pressure upon Syria. It stopped granting loans through import and export banks, abrogated the aviation agreement between the two countries, laid an embargo on strategic materials, and recalled its ambassador from Syria, but it did not use force. This is because the United States has to look to Syria for help in achieving the release of the American hostages, and because in order to devise solutions to the peace issue in the Middle East, it is still necessary to use Syria's influence.

Egypt is the only Arab nation which established diplomatic relations with Israel. However, it froze the relations in 1982 when Israel intruded into lebanon, thus entering into a state of "cold peace." To give a play to the role of Egypt in the course of peace in the Middle East, this year the United States has time and again sent Assistant Secretary of State Murphy to shuttle between Israel and Egypt. Finally, the two countries thawed their relations and signed an agreement on resolving the Taba Issue through international mediation. This was followed by negotiations between Egyptian President Mubarak and Israeli Prime Minister Peres, agreeing to improve relations between the two countries and to have Egypt send its ambassador back to Israel.

With the United States acting as go-between, at the end of July this year, Prime Minister Peres visited Morocco to hold talks with King Hassan an Arab-Israeli conflicts. No agreement was reached but extensive views were exchanged. As a result, Morocco has become another Arab nation to have held direct talks with Israel. Following the talks, only Syria severed diplomatic relations with Morocco, and the reaction of other Arab nations was moderate. This is quite different from the situation in 1979, when many Arab countries broke diplomatic relations with Egypt after the late Egyptian President Anwar as-Sadat made peace with Israel.

No doubt, the United States is satisfied with the development. It hopes the development will pave the way for promoting Israel and Jordan to hold direct talks.

In his July visit to Jordan, U.S. Vice President George Bush tried hard to persuade Jordan to hold direct talks with Israel without the participation of the PLO. However, King Husayn of Jordan rejected the proposal of holding direct talks in view of the opposition of the Arab world and the Palestinian people living in Israel-occupied areas, and because he thought that the talks could hardly lead to the recovery of the occupied areas on the West Bank of the Jordan River. King Husayn reaffirmed that the PLO was the sole legitimate representative of the Palestinian people.

The tactics adopted by the United States on Iran are to exert pressure on it in the open and rope it in secret. The Reagan administration on the one hand shouted that Iran's escalation of its war with Iraq would threaten the security of the Gulf nations and called for laying an embargo of weapons on Iran, but on the other hand, it maintained secret contracts with the regime and it sold a total of $100 million worth of weapons to Iran through Israel and other countries. Ronald Reagan called the secret sale of arms a "risky gamble." Iran holds a special and important place in the contention between the United States and the Soviet Union. It is rich in crude oil, controls the Straits of Hormuz, is the underbelly of the Gulf area, and is close to the Soviet Union. In order to seek forces which can cooperate with the United States in Iran at an early date, the Reagan administration did not have any scruples about making secret contracts with Iran for arms sales behind the back of its allies, the U.S. Congress, and the American people. This has aroused a great disturbance in the United States and among its allies. Iran is still its same old self and does not show respect for the United States.

The United States has put a lot of work into the Middle East, but very little has been achieved. It attempts to control the Middle East peace process by casting the Soviet Union aside. However, with the support of the United States, Israel has refused to recognize the PLO and to withdraw its troops from occupied territories. This has afforded the Soviet Union an opportunity for squeezing itself into the Middle East peace process.

Soviet diplomats in the Middle East have disclosed that after assuming office, Gorbachev criticized the Soviet Ministry of Foreign Affairs for its past policies toward the Middle East and called for adopting more flexible tactics to contend with the United States in an attempt to regain the initiative.

In 1986 the Soviet Union repeatedly sent senior officials to Syria, Egypt, Jordan and the Gulf nations, reiterating its proposal put forward in July 1984 for the convocation of an international conference on Middle East peace under the auspices of the permanent members of the UN Security Council in a bid to break down the U.S. monopoly of the process of peace in the Middle East. The Soviet proposal has been accepted by Arab countries, including Syria, Egypt and Jordan, as well as the PLO.

The Soviet Union also took a more flexible approach to its relations with Israel. After breaking off diplomatic relations with Israel for 19 years, the Soviet Union put forth a proposal for restoring consul-level relations with Israel. For this the two countries held negotiations in Helsinki last August. At the meeting, Israel insisted that the issue of the Soviet Jews' emigration should be discussed, and this demand led to the failure of the negotiations. After that, the two sides continued to maintain some contract. This shows that the Soviet Union still wants to have dealings with Israel so as to win more say in the Middle East peace process.

The Soviet Union is also carrying out all-round diplomacy in the Middle East. It has established diplomatic relations with the United Arab Emirates and the Sultanate of Oman so as to expand its sphere of influence in the Gulf nations. In Lebanon, it not only maintains relations with various Muslim factions that it supports, but also has some with various Chirstian factions. In the past, Moscow opposed the stationing of UN peace troops in Lebanon, but it has now changed its stand to support this.

Generally speaking, the Soviet Union will not retreat from the Middle East. Due to the containment of various difficulties at home and abroad, it cannot take too much initiative in the handling of Middle East affairs. The United States, on the other hand, is trying to maintain its advantageous position in the Middle East but cannot settle the Middle East issue alone. No matter what action it is going to take, the United States always maintains a bottom line, that is, not to evoke any direct conflict with the Soviet Union. It seems that the stalemate in the Middle East will continue, and the turmoil and unrest in this region will also continue.

XINHUA VIEWS UNDERSTANDING BETWEEN TURKEY, U.S.

OW161329 Beijing, XINHUA in English 1152 GMT 16 Dec 86

[News Analysis: Better Understanding Achieved Between Turkey, U.S. (by Hua Youzhong)" -- XINHUA headline]

[Text] Ankara, December 15 (XINHUA) -- The extension of a U.S.-Turkey defense agreement signed in 1980 for another five years and the initialing of an ad-memorandum accord between Turkey and the United States Friday are seen as a better understanding between the two nations.

At a press conference Saturday, Turkish Prime Minister Turgut Ozal described as "satisfactory" the results of the negotiations between the two countries on the Defense and Economic Cooperation Agreement (DECA).

Turkish official sources said Turkish Foreign Minister Vahit Halafoglu will go to Washington next month to sign the ad-memorandum accord formally with his U.S. counterpart George Shultz.

The accord, reached after a year-long debate between the two nations, is the product of compromise thanks to concessions from both sides.

Both Turkish and U.S. officials disclosed that the United States promised that 312 million of the total 490 million U.S. dollars in aid to Turkey in the 1987 fiscal year beginning in October this year will be in military grants. The remaining sum of 178 million will be in the form of credit, but at a low interest rate.

In addition, Turkey will receive about 300 million dollars worth of U.S. military hardware, including 40 F-4E Phantom aircraft.

Besides, the United States is reportedly going to offer Turkey 100 million dollars in non-military aid.

On Turkey's side, it gave up its demand for a formal treaty between the two countries to replace the existing DECA and agreed to extend it for another five years instead of two years as it had claimed.

Meanwhile, as a prerequisite for concluding the ad-memorandum accord, Turkey gave up its demands for the lifting of the restrictions and quotes the United States has imposed on Turkish exports, especially on textile and steel exports.

"We gave up something, but have obtained certain things. A better understanding has been achieved between our two countries. The road is paved, we will go ahead in the upcoming years," Ozal said.

But, some deputies of the opposition parties, the Social Democratic Popularist Party in Particular, accused Ozal of making too much concession during the negotiations, and claimed that Turkey has not got as much out of the agreement as it is entitled.

Observers here noted that the U.S. concern about the safety of NATO's southeast flank has led it to offer more aid to Turkey after tough bargaining.

Under the 1980 agreement, the United States has put up a dozen military installations in Turkey, two of which are sensitive listening posts that monitor Soviet military activities and nuclear tests.

Strategically, to strengthen relations with Turkey is in the interest of the United States. As one Western diplomat put it, "Turkey's good ties with major oil states are of importance to the U.S. policy. In the NATO context, the close working relationship between Turkey and the United States can be of more discreet advantage to the United States since it requires quiet communications with the Middle East countries, which are hostile to the American policy."

One councillor of the U.S. Embassy in Ankara told this reporter, "The United States needs Turkey just as Turkey needs the United States."

ZHAO ZIYANG MEETS OUTGOING, ARRIVING AMBASSADORS

OW171642 Beijing XINHUA in English 1430 GMT 17 Dec 86

[Text] Beijing, December 17 (XINHUA) -- Chinese Premier Zhao Ziyang had separate meetings at Zhongnanhai here this afternoon with outgoing Spanish Ambassador to China Mariano Ucelay de Montero and New Ugandan Ambassador to China Willian Wycliffee Rwetsiba.

U.S. INTERVENTION IN CENTRAL AMERICA EXAMINED

HK210438 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 19 Dec 86 p 6

["Year-End Feature" by Zhu Manting (2612 3341 1656): "The Crisis in Central America Deepens"]

[Text] Amid turmoil and unrest, Central America has survived one more year and the tense and deadlocked situation remains unchanged. Making no breakthrough in the process of peace and proceeding from the strategy of the so-called "low-intensity war," the United States has stepped up its intervention and threats against Nicaragua. As compared with last year, the crisis in Central America is worsening.

Having drastic rises and falls in negotiations for peace is a characteristic of the situation this year in Central America. At the beginning of this year, the eight Latin American countries of the Contadora Group and the Lima Group that was formed last year were determined to go all out to urge the Central American countries to sign an agreement before 6 June. The three new Central American governments of Costa Rica, Guatemala and Honduras all agreed to respond to the efforts of the two groups. Thus, the five Central American countries had frequent contacts and the atmosphere for peaceful negotiations was very intense for a while.

Nevertheless, while an agreement for peace in Central America directly affects the immediate interests of every country concerned, the Central American countries just could not reach a consensus on how to sign the agreement during the process of reviving the agreement. Nicaragua pointed out that since the United States would not promise not to support the anti-government forces in Nicaragua, it just could not sign the agreement. On the two crucial clauses of military exercises and arms control, countries like Nicaragua, Honduras, El Salvador, and so on always had divergent views. Later on, the Contadora group presented the five Central American countries a new revised draft of the agreement of peace which included new stipulations for the above-mentioned two clauses and was welcomed by Nicaragua. However, Honduras and Costa Rica once again turned it down. Therefore, they failed to sign the agreement before 6 June. Notwithstanding that, the Contadora Group and Lima Group again tried to resume the negotiations during a session of the UN General Assembly and the annual session of the Organization of American States but they had to give it up when no responses were received from some Central American countries.

Another characteristic of the Central American situation is that the contradiction between the United States and the Latin American countries on the peace talks in Central America has become more evident. In order to end the conflicts in Central American, the Contadora Group once asked the United States to stop supporting the anti-government forces in Nicaragua and resume talks with the Nicaraguan Government. The foreign ministers of eight Latin American countries jointly made a special visit to Washington with this request. However, the U.S. Government not only rejected the just demands of the Latin American countries but also submitted a bill providing $100 million in aid to the anti-government forces in Nicaragua to its congress. Such an obstinate attitude by the United States has caused the dissatisfaction of almost all the Latin American societies and became the main obstacle in the process of peace in Central America.

On the Central American issue, the United States, on the one hand, expresses in words support for the Contadora Group but on the other hand, always adopts a tough attitude. [paragraph continues]

Starting from its second term of office, the Reagan government shifted the emphasis of its Central American policies from securing El Salvador to overthrowing the present regime in Nicaragua and constantly exerted political, diplomatic, economic, military, and other pressure on Nicaragua. It also used the anti-government forces in Nicaragua to threaten and meddle in Nicaragua. This year, the United States proposed a so-called "low-intensity war" strategy as a "new" pattern of intervention in the "hotspot" areas. This intervention policy of the United States has resulted in the constant deterioration of the relationship between the United States and Nicaraguan and is a dangerous factor in the present Central American situation.

Of course, the mediatory groups in Latin America will not give up their responsibility and it will also be very difficult for the United States to easily conduct direct military interventions due to the restriction of various factors. Therefore, as the deadlocked situation in Central America will not end promptly, it will consist of local conflicts and political negotiations.

U.S. 1974 TRADE ACT DISCRIMINATES AGAINST PRC

HK111436 Beijing GUOJI SHANGBAO in Chinese 1 Dec 86 p 3

[Article by Wang Yi (3769 3015): "The Discriminative Clause of the U.S. 'Trade Act of 1974' Is Not Conducive to Sino-U.S. Trade"]

[Text] The present U.S. trade law discriminates against China. The most discriminative clause of the U.S. trade law is the "Trade Act of 1974" which is the biggest obstacle to China's enjoying the bilateral most-favored-nation treatment, as well as multi-lateral most-favored-nation treatment after China is restored to its status as a signatory state to the GATT in the future.

Clause 402 of the "Trade Act of 1974" was formulated according to the "Jackson-Vanik Amendment." The clause stipulates that each year, the U.S. Congress should unilaterally carry out an examination of the immigration situation and immigration measures of the countries which implement the planned economy (including China) before deciding whether to continue to accord the specified countries most-favored-nation treatment. The "Jackson-Vanik Amendment" was passed by the U.S. Congress in December, 1973. The main content of the amendment is "not to accord the countries which restrict immigration most-favored-nation treatment." Although this amendment was aimed at the Soviet Union at that time, because of its vague definition, it has actually imposed restrictions on more countries rather than the Soviet Union alone. Because of this, the amendment has had a detrimental impact on Sino-U.S. trade. The detrimental impact of the amendment on Sino-U.S. trade can be seen in the following two aspects:

1. The amendment has had a detrimental impact on the bilateral most-favored-nation treatment between the United States and China. According to the "Sino-U.S. Trade Relations Agreement" signed on 7 July, 1979, the two countries will accord each other most-favored-nation treatment in terms of imports and export tariffs, various charges, domestic tax, customs declaration procedures, issuances of import and export permits and so on. However, the United States has unilaterally carried out Clause 402 of its "Trade Act of 1974" and carried out the examination of the most-favored-nation treatment between the United States and China every year, thus causing unstable factors and unnecessary obstacles to Sino-U.S. trade. In legal terms, the most-favored-nation treatment between the United States and China is an international commitment and the U.S. side has no right to unilaterally carry out the so-called "examination. [paragraph continues]

What the United States has done does not conform to the reciprocity principle of international law and the present status quo of Sino-U.S. relations.

2. The amendment is a potential obstacle to China's enjoying the multi-lateral most-favored-nation treatment after China is restored to its status as a signatory state to the GATT. The first clause of the first item of the GATT stipulates that the signatory states should unconditionally accord one another most-favored-nation treatment. However, the U.S. side has privately expressed that China is not a country which implements the market economy, and according to the U.S. "1974 Trade Act," the United States cannot unconditionally accord China most-favored-nation treatment. Even after China rejoins the GATT, it will still be impossible for China to be accorded such treatment. In this way, the U.S. "1974 Trade Act" has actually contradicted the first item of the GATT.

What is more, the U.S. "1974 Trade Act" is also an obstacle to China's enjoying the U.S. ordinary favored-nation treatment.

We think that the restrictions of the U.S. "1974 Trade Act" on China's enjoying multi-lateral most-favored-nation treatment of the GATT are not legally established. The reasons are:

1. The U.S. "1974 Trade Act" is a domestic act of the United States, which was formulated after the GATT. As the main signatory state to the GATT, the United States should have made its domestic act conform to, and not contradictory to the international commitment (the unconditional most-favored-nation treatment) of the GATT.

2. Suppose the act had existed before the GATT, still, the United States should not have regarded and retained the "grandfather clause" of the "temporarily applicable protocol" as the "current legislation." This is because Clause 402 of the U.S. "1974 Trade Act" contradicts the first item of the GATT, not the second part of the GATT that Clause 402 of the U.S. "1974 Trade Act" should not be retained as the "current legislation."

3. The first clause of the first item of the GATT stipulates that the "general most-favored-nation treatment" should be "immediately and unconditionally" accorded to all the signatory states. However, the United States has imposed restrictions on multi-lateral most-favored-nation treatment by taking whether the countries concerned "have imposed restrictions on immigration or not" as the precondition, thus violating the key item of the GATT and deviating from its own international commitment. The United States should not unilaterally impose restrictions on the implementation of the international agreement on the pretext of its domestic legislation.

4. China is one of the founders of and one of the signatory states to the GATT, so it is that China will be restored to its status as a signatory state to the GATT, and not that China will "join" or "rejoin" the GATT. The U.S. side still uses the "mutually unapplicable" method provided by the 35th item of the GATT to deal with China and has reservations on the item in the protocol on restoring China's status as a signatory state to the GATT, which says that China should be unconditionally accorded most-favored-nation treatment. China's interests as a founder of and a signatory state to the GATT will be seriously harmed, which will bring about serious consequences to multi-lateral Sino-U.S. trade. This will hardly be acceptable to China, and will also be contradictory to the wishes of both the Chinese people and the American people.

HUANG HUA MEETS VISITORS FROM JAPAN 16 DEC

OW160920 Beijing XINHUA in English 0724 GMT 16 Dec 86

[Text] Beijing, December 16 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, met here today with Masamitsu Oishi, member of the Japanese House of Representatives, Yuko Murofushi, administration director of the Japan-China Food Circulation Development Commission, and their party. The Japanese visitors arrived here December 14 as guests of Beijing University.

ZHAO ZIYANG MEETS JAPANESE ECONOMIC ADVISER

OW171356 Beijing XINHUA in English 1322 GMT 17 Dec 86

[Text] Beijing, December 17 (XINHUA) -- Chinese Premier Zhao Ziyang met here today Masanori Ito, adviser to the Nomura Securities Corp. of Japan. Ito, who is also adviser to the Economic Management Research Center of China's State Economic Commission, told Zhao his view on issuing more bonds and shares in China.

Zhao expressed appreciation for Ito's proposal and asked Chinese officials present to study the proposal.

WU XUEQIAN MEETS JAPANESE CONSTRUCTION GROUP

OW201116 Beijing XINHUA in English 1108 GMT 20 Dec 86

[Text] Beijing, December 20 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian met Toichi Takenaka, president of the Takenaka Construction Corporation, and his party here today. The Japanese visitors have come here specially for signing the contract and regulations concerning a Sino-Japanese joint venture, the Beijing International Club.

PYONGYANG CITY DELEGATION LEAVES LIAONING

SK230121 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 22 Dec 86

[Text] The five-member delegation of foreign affairs personnel of the city of Pyongyang, led by (Yi Pyong-kuk), director of the Foreign Affairs Bureau of the Pyongyang City Administrative and Economic Guidance Committee of Korea, concluded its friendly visits in the province's cities of Shenyang, Dalian, Anshan, Dandong, and Liaoyang and left Dandong City for home on the afternoon of 22 December.

FANG YI MEETS DPRK SCIENCES ACADEMY DELEGATION

OW221050 Beijing XINHUA in English 1044 GMT 22 Dec 86

[Text] Beijing, December 22 (XINHUA) -- State Councillor Fang Yi met a delegation from the Academy of Sciences of the Democratic People's Republic of Korea (DPRK) led by its Vice-President Professor Pak Yong-hyop here this afternoon.

Earlier, the delegation signed a scientific cooperation plan for the year 1987-1988 with the Chinese Academy of Sciences. In accordance with the plan, the Chinese Academy of Sciences will start to accept trainees sent by the DPRK Academy of Sciences.

LIU SHUQING, LAO DEPUTY FOREIGN MINISTER TALK

OW222022 Beijing XINHUA in English 1516 GMT 22 Dec 86

[Text] Vientiane, December 22 (XINHUA) -- Visiting Chinese Deputy Foreign Minister Liu Shuqing and his Lao counterpart Khamphai Boupha held talks here today on relations between the two countries.

Chinese sources who participated in the [word indistinct] of the two deputy foreign ministers recalled the traditional friendship between the two countries and expressed their common desire to improve the relations on the basis of the five principles of peaceful co-existence.

Khamphai said that the abnormal relations between the two countries in the past eight years is not good for the people of the two countries nor for the peace in Asia.

Laos attaches importance to the improvement of relations between the two countries, he said, adding restoration and development of relations with China accords with the desire of the two peoples.

Liu told Khamphai that he hoped the two sides will look forward so as to find ways of improving their relations. The Chinese delegation has come for improved relations and friendship, he said. China on its part will make efforts to this end, he added. The talks proceeded in a friendly and sincere atmosphere.

POLITICAL SITUATION IN PHILIPPINES REVIEWED

HK190711 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50 15 Dec 86 p 31

[Special dispatch from Manila by Wang Yongsun (3769 3057 5549) and Jin Meifang (6855 2734 5364): "Moves To Stabilize the Political Situation in the Philippines"]

[Text] Philippine President Corazon Aquino recently reshuffled the cabinet to stabilize the situation in the country, thus creating favorable conditions for solving the economic crisis and other problems. She said that the members of the new government and people would bear the responsibility for the progress of the country and make contributions to it.

On 23 November President Corazon Aquino requested all members of the cabinet to resign. She first accepted Defense Minister Enrile's resignation and appointed Ileto Rafael, vice minister of defense, as the new defense minister. Then she dismissed and replaced several ministers.

What directly prompted President Corazon Aquino to take this action was that some military officers who have close relations with Enrile were in collusion with some pro-Marcos people of the New Social Movement, the former ruling party, and attempted to launch a coup to overthrow the Aquino Government.

The president's spokesman, Benigno, announced that with the support of a handful of military officers loyal to Enrile and some followers of the former president, Marcos attempted to occupy the National Parliament building, to forcibly hold the National Assembly, which had been dissolved, to announce former chairman of the parliament as the acting president, to force President Aquino to step down, and to hold a new presidential election.

President Corazon Aquino was supported by Armed Forces Chief of Staff Ramos and most officers and soldiers. Reportedly, on the morning of 23 November, intelligence agents dispatched by Ramos to those who engineered the coup knew about the coup scheme of Enrile and his like. Meanwhile, Ramos's subordinates also noticed unusual military moves. Therefore, Ramos immediately issued an order to carry out the "anti-coup scheme." He sent troops to strengthen the defense of the presidential house and to protect government radios, news agencies, and other mass media organizations; he also dispatched troops to the parliament building to arrest those who were going there to attend a meeting. The same evening, he held an emergency meeting of commanders of the Navy, Army, Air Force, and security force and other high-ranking officers to discuss countermeasures. Most high-ranking officers attending the meeting expressed their support for President Corazon Aquino and opposed the coup. Ramos then issued an order to the armed forces: All army units were to execute his orders alone and were prohibited too from executing any orders issued by the defense minister, the security officer of the Ministry of Defense, or Enrile's followers.

Enrile's coup scheme was thus smashed. Mrs Corazon Aquino said in a television speech: "Armed Forces Chief of Staff Ramos adopted precautionary measures to deal with the reckless actions of some people in the Army."

During the 9 months since the establishment of the Aquino Government, Enrile and the president shared different political views. Enrile opposed the government's policy to seek a "peaceful settlement" with the Philippine Communist Party and draft of the new constitution. Their contentions became sharper and sharper. Later on, he began publicly attacking the government almost every day. He threatened the president by openly requesting the president to dismiss some minister, to adopt harsh measures to deal with the Philippine Communist Party, and to hold a meeting of the previous National Assembly. He even went so far as to announce that the current government was illegal and called for abrogating the draft of the new constitution and for holding a new presidential election.

In an interview with a Japanese reporter at the end of October, Corazon expressed her strong attitude, She said: "I cannot agree with the Defense Minister's demand for abrogating the draft of the new constitution and for holding a meeting of the previous National Assembly." Before that, Mrs Corazon Aquino repeatedly showed tolerance toward Enrile's words and deeds. Not only had she never criticized Enrile publicly, but she said time and again that she had good relations with Enrile. She also had a secret talk with Enrile and made some concessions to win his cooperation.

According to some people here, Enrile had been thinking all along of becoming president. But the draft of the new constitution stipulates that the tenure of office for a president is 6 years and that the tenure of office of the current president will expire in 1992. Enrile was anxious to become a president and could not wait. He attacked the president and government in order to cause the collapse of the current government. After his secret talk with the president, Enrile ceased to attack the president publicly and did not talk to reporters. But there were more and more rumors about his scheme to engineer a coup.

After the coup scheme was exposed on 23 November, President Corazon Aquino took a resolute action to request all members of the cabinet to resign and removed Enrile from his post. Corazon Aquino's move was welcomed and supported by people from all circles in the country. Thousands upon thousands of people held one rally after another in Manila to express their support for the president and the draft of the new constitution. Foreign countries also had good reactions to this. A spokesman for the U.S. State Department announced that the Reagan administration "resolutely and unequivocally" supported the Philippine Government led by President Corazon Aquino.

The political situation was unstable in the Philippines. In the recent 2 or 3 months in particular, murders, kidnappings, explosions, and robberies occurred time and again. Sometimes there were rumors about a coup. Public opinion here believes that the action taken by the president marks "a new turning point" in the political situation of the Philippines. Some people hold that the above mentioned incidents were more or less related to Enrile and his subordinates. They were the main cause for the unstable political situation. A Manila newspaper says that Enrile's dismissal and the failure of the coup scheme have paved the way for a stable political situation. President Corazon Aquino recently announced that if the draft of the new constituation is adopted and approved by the votes of citizens in February of next year, a parliamentary election will be held on 11 May next year.

Others hold that Enrile's dismissal might gradually stabilize the domestic situation to a certain extent, but the president still faces many problems. Also Enrile has had a relationship with the Army for 20 years and is still influential in the Army and its political circle. Enrile and the Army and Marcos' followers are two forces which may combine to fight continuously against the Aquino government, or even risk desperate acts. This possibility cannot be excluded. How the situation in the Philippines will develop still merits people's attention.

THREE PRC DELEGATIONS ARRIVE IN BURMA 17 DEC

OW171657 Beijing XINHUA in English 1530 GMT 17 Dec 86

[Text] Rangoon, December 17 (XINHUA) -- A writers' delegation, a rural economic study delegation and a petroleum study group from China arrived here this afternoon for goodwill visit and study in Burma.

The Chinese Writers' Delegation is the first writers' group to visit Burma since the end of 1960s. During their two-week stay, the Chinese writers will tour Mandalay, Maymyo, Pagan and Taunggyi, and will hold an informal discussion wih Burmese writers.

The Rural Economic Study Delegation will stay in Burma for two weeks to study rural economy. The Petroleum Study Group will chiefly study heavy oil.

SINO-THAI ECONOMIC COMMITTEE'S MINUTES SIGNED

OW190801 Beijing XINHUA in English 0737 GMT 19 Dec 86

[Text] Beijing, December 19 (XINHUA) -- A minute on the agreement of the second meeting of the China-Thailand Government Economic Cooperation Committee was signed here this morning. Lu Xuejian, vice-minister of foreign economic relations and trade, and Praphat Limpaphan, Thai vice-minister of foreign affairs and head of the visitng Thai Government Economic and Trade Delegation, signed the minute on behalf of their respective governments.

The minute says that during the meeting, the two sides reviewed satisfactorily the development of bilateral economic and trade cooperation in 1986. They also broadly exchanged views on expanding new scopes and ways for the cooperation. According to the minute, the two sides reached an agreement on the trade target of 400-500 million U.S. dollars for the year of 1987. They also encouraged diversification of bilateral trade, such as barter and countertrade as supplements to the existing commerce trade on the basis of freely convertible currency. A protocol on import and export commodities for 1987 between the two countries was also signed at the same time.

'YEAR-ENDER' NOTES IMPROVED PRC-E. EUROPE TIES

OW121902 Beijing XINHUA in English 1614 GMT 12 Dec 86

["Year-Ender: A Year of Remarkable Progress in Relations Between China and East Europe" — XINHUA headline]

[Text] Beijing, December 12 (XINHUA) -- Visits to China by Polish leader Wojciech Jaruzelski and Democratic German leader Erich Honecker this year marked a conspicuous development in relations between Eastern Europe and China.

The vice premiers of Hungary, Czechoslovakia, Poland and Bulgaria also visited Beijing.

Chinese Foreign Minister Wu Xueqian and vice chairman of the Standing Committee of the Chinese National People's Congress, Liao Hansheng also travelled to Eastern Europe in May and September respectively.

The high-level and frequent contact indicated a new stage in the relations between China and Eastern Europe which slid to a low ebb following the deterioration of Sino-Soviet ties in the 1960s.

The rapid development is in a sense both natural and inevitable. Pursuing an independent foreign policy and abiding by the principles of peaceful co-existence, China attaches great importance to the development of friendly relatons with all countries. In its relations with the socialist countries in East Europe, it fully respects the domestic and foreign policies these countries follow in accordance with their actual conditions and interests.

The five East European countries have shown a strong desire to cooperate with China on the basis of equality and mutual benefit.

In recent years, economic relations between China and Eastern Europe also developed quickly. For example, trade between China and Poland increased by five times this year compared with 1982. Last year, Chinese Vice Premier Li Peng visited the five East European countries where he signed trade agreements with Poland, Hungary, Czechoslovakia and Bulgaria for 1986-1990.

In science and technology, cooperation has covered key sectors in their national economies. The East Europeans have shown interest in China's recent accomplishments in science and technology which they want to introduce into their countries, while China can learn advanced production techniques from these countries.

During the Democratic German leader's stay in Beijing, Honecker and Chinese leader Deng Xiaoping agreed that the question was not to restore relations between the German Socialist Unity Party and Communist Party of China, but rather to further the development of such relations.

It is expected that China's relations with the East European countries will grow with increased intensity as they both are working for the safeguarding of world peace while developing their socialist economies.

ELECTRONICS DELEGATION MEETS GDR'S STOPH

OW050138 Beijing XINHUA in English 0135 GMT 5 Dec 86

[Text] Berlin, December 4 (XINHUA) -- Democratic German Prime Minister Willi Stoph today met with a delegation from China's Electronics Industry Ministry led by its Minister Li Tieying.

Stoph briefed the Chinese visitors on his country's economic development and achievements made in the field of micro-electronics. He said that the two countries should further promote their cooperation in electronics industry.

Chinese Ambassador to Democratic Germany Ma Xusheng was also present at the meeting. The Chinese delegation arrived here Monday for a visit at the invitation of Democratic German Minister for Electrical Engineering and Electronics Felix Meier and will leave for home tomorrow.

ELECTRONICS MINISTER MEETS HUNGARY'S MARJAI

OW270350 Beijing XINHUA in English 0222 GMT 27 Nov 86

[Text] Budapest, November 26 (XINHUA) -- Hungarian Vice-Premier Jozsef Marjai today met visiting Chinese Minister of Electronic Industry Li Tieying. Marjai discussed with the guest about trade and cooperation between Hungary and China.

The Chinese delegation arrived here on November 21 for a visit at the invitation of Hungarian Minister of Industry Laszlo Kapolyi. The Chinese toured some electronic companies and factories. The delegation left [as received] Hungary later today for Czechoslovakia.

HUNGARIAN FOREIGN MINISTER ON RELATIONS WITH PRC

OW210414 Beijing XINHUA in English 0251 GMT 21 Dec 86

[Text] Budapest, December 20 (XINHUA) -- Hungary today approved the 1987 state budget which is expected to provide some 62.2 billion forint (about 1.3 billion U.S. dollars) in subsidies for commodities. Addressing the two-day winter parliament session which closed here today, Hungarian Minister of Finance Istvan Hetenyi said that the state revenues will be 606.9 billion forint (about 12.6 billion dollars) and the expenditure 650.7 billion (about 13.5 billion dollars) next year, showing a deficit of 43.8 billion forint (about 910 million dollars). The budget gives priority to helping the restructure of the Hungarian economy, encouraging the use of new achievements of science and technology and increasing exports, Hetenyi said.

The parliament also heard a report by Hungarian Foreign Minister Peter Varkonyi who said that Hungarian-Chinese ties are getting normalized. Economic, cultural, scientific and technological coopeation between Hungary and China has been increasing, Varkonyi said. Hungary and China hold similar views toward major world issues, primarily on disarmament and security, he pointed out. The Hungarian foreign minister also stressed the importance of continuing political dialogue with advanced capitalist countries and cooperating with these countries.

XINHUA 'YEAR-ENDER' ON CENTRAL AMERICA

OW170426 Beijing XINHUA in English 0206 GMT 17 Dec 86

["Year-Ender: "Uphill Peace Efforts for Central America (by Hu Tairan)" -- XINHUA headline]

[Text] Panama City, December 17 (XINHUA) -- 1986 saw war shadows loom even larger over Central America, one of the world's trouble spots, setting back peace efforts as a result of recurring conflicts and outside intervention.

Over the past year, peace forces with the four-nation Contadora Group have been striving to reach political solutions to conflicts in the region in the absence of outside interference.

Though effective in preventing conflicts from escalating, the peace process has suffered repeated ups-and-downs because of the region's complicated economic and social situation and conflicts of interest fuelled by outside intervention.

At the start of 1986, the peace process was at a standstill. A peace draft worked out by the Contadora Group called "Act for Central American Peace and Cooperation" has been shelved since late last year due to differences among countries.

The Contadora Group travelled through Latin American nations and together with its supportive body, the Lima Group, issued a "Caraballeda Statement," reiterating their determination to press ahead with peace talks. As a result, the peace talks reopened four months ahead of the six-month limit.

From March to May, the Contadora Group succeeded in bringing together the five Central American countries to discuss arms reduction and a ban on international military exercises in the region.

During a summit meeeting in May, leaders of the five countries pledged their backing for the Contadora Group again, and expressed a shared desire to sign the peace pact. However, they failed to resolve their differences.

Peace talks were played down according to some Central American countries following missions by high-ranking U.S. Government officials there. Some countries even refused to accept a new version of the Contadora-proposed draft, bringing the peace talks to a halt again. Tensions continue to reign.

The inauguration ceremony of Colombia's new president in August offered an opportunity for the Contadora leaders to meet again. Peace efforts were revived, but to no avail.

Leaders of the Contadora and Lima Groups, while attending the 16th regular session of the Organization of American States in mid-September, urged the Central American nations to stave off outside intervention and reactivate the peace process. They rejected any solution made at the cost of the people's right to self-determination and the prinicple of non-interference.

This was followed soon by the eruption of armed border clashes between Nicaragua and Honduras, pushing the situation into a deeper abyss.

The fluctuations of the Central American situation go hand in hand with Nicaragua's dispute with the United States. The U.S. blames the Soviet Union for sending arms and military advisors to Nicaragua in what it terms as a menace to this "strategic focal point" vital to its security.

In a policy statement in March, U.S. President Ronald Reagan listed Nicaragua and Central America as one of the strategic focal points in its global "limited rollback" strategy against the Soviet Union.

Under such a guideline, the United States has ordered an embargo on Nicaragua, coupled with stepped-up political and military pressures, and supports Nicaragua's anti-government forces in their operations in the border areas of Honduras and Costa Rica.

In October, Reagan okayed the congress-approved bill to provide 100 million U.S. dollars in aid to Nicaragua's anti-government forces, or the contras. Last month, the U.S.-backed contra leaders met in San Jose in a bid to knock together a "provisional government."

In recent border clashes between Nicaragua and Honduras, the United States openly dispatched helicopters to ferry troops for Honduras, with the commander-in-chief of its Southern Command, John Galvin, taking up on-the-spot direction.

All this explains why tensions in Central America have been mounting unabatedly and peace has been blocked time and again.

Peace nevertheless represents the shared desire and basic interests of the Central and Latin American states. The sympathy and support they give to the Contadora Group have given it new dynamism, and at the same time curbed elements causing new troubles in the region.

Looking ahead, tensions will continue in Central America and the peace process carries great risks. The Contadora Group however appears set to carry on mediation in the middle of the region's simmering trouble.

ENVOY SIGNS ECONOMIC COOPERATION ACCORD IN PERU

OW172353 Beijing XINHUA in English 1949 GMT 17 Dec 86

[Text] Lima, December 17 (XINHUA) -- Chinese Ambassador to Peru Yang Mai, and director of the Peruvian National Institute of Planification, Javier Tatalean Arbulu [name as received], signed a protocol on economic and technical cooperation Tuesday.

The protocol is to define the use of the remainder of the credit stipulated in the economic and technical cooperation agreement signed by China and Peru in 1971 in Beijing.

According to the protocol, the Chinese Government will asssist the Peruvian Government in implementing the following projects: The building of 80 irrigation wells in the Puno Province, covering 4,000 hectares; construction of a cement plant with a vertical kiln that will produce 30,000 metric tons a year; the supply of medical equipment worth 500,000 pounds sterling (715,000 U.S. dollars) to outfit health centers; and Chinese technical assistance for the installation and management of the projects.

WAN LI VISITS HEFEI AFTER STUDENT PROTESTS

OW221237 Tokyo KYODO in English 1231 GMT 22 Dec 86

[Text] Beijing, Dec. 22 KYODO -- Vice Premier Wan Li has visited the University of Science and Technology at Hefei, Anhui Province, to promote dialogue with managers and students, reliable Chinese sources said Monday.

Students at that university first demonstrated in November for freedom and democracy.

Wan, Communist Party Politburo and Secretariat member, met with the president of the university, Guan Weiyan, and with the vice president, Fang Lizhi, asking them to tighten management and control.

Arguing for the independence of the university and freedom of academics, Fang condemned the party and government for their high-handed interventions into academic affairs, the sources said.

Fang, who the sources describe as the theoretical leader of the student movement, told Wan that the people will fight for democracy.

The vice premier opposed Fang's contention for academic independence, saying that universities cannot be separated from society.

Wan once served as the head of the Communist Party's Anhui provincial committee.

RENMIN RIBAO EDITORIAL ON STABILITY, UNITY

OW222034 Beijing XINHUA Domestic Service in Chinese 1805 GMT 22 Dec 86

[RENMIN RIBAO 23 December editorial: "Cherish and Develop the Political Situation of Stability and Unity"]

[Text] Beijing, 23 Dec (XINHUA) -- It has been 8 full years since the 3d Plenary Session of the 11th CPC Central Committee. These 8 years can be described as the best period since the founding of New China. These years enjoy political stability and unity; a sustained, stable, and coordinated economic growth; a brisk market; and a quite obvious improvement in people's living standards. The reform of the economic structure with emphasis on the cities is being carried out in an all-round way, the building of spiritual civilization is well under way, and socialist democracy and the legal system are being further improved. Despite the fact that we are still facing many new problems and difficulties on our advancing road, as long as we persist in carrying out reform and do things in a prudent manner, all of those problems and difficulties can be gradually solved. Everyone admits that the achievements during the past 8 years were not easily won from the mess following the 10 years of turmoil, notwithstanding the fact that we could not be perfect in every step of the reform and might even make some mistakes. The achievements are the results of joint efforts by workers, peasants, soldiers, intellectuals, youth and students, and all patriots of our country; the results of implementing the party's line, principles, and policies by the people of the whole country; and the results of consolidating and developing the political situation of stability and unity.

We must persist in carrying out reform and opening to the outside world and also adhere to the four basic principles and travel on the socialist road with Chinese characteristics. This is our firm and unshakable policy. No power can make us depart from this correct path that has been tested in practice and has the support of the people numbering hundreds of millions.

Looking back on the path that we have traversed, our most important conclusion is the following: The political situation of stability and unity is the key to the success or failure of our country's socialist modernization, and the most important guarantee for the reform and for opening to the outside world. The Chinese people, who suffered a lot during a decade of turmoil and have had a stable and happy life for 8 years, are capable of comparing the positive with the negative aspects and have become increasingly aware of the extreme importance of stability and unity. To cherish and develop this political situation of stability and unity is the common aspiration of the people in their hundreds of millions and the sacred duty of every citizen.

Reform is a deep-going revolution. In the course of the reform, it is normal that there should be new problems to be studied and solved, and there should be different views on concrete matters. With regard to these problems and views, it is necessary to benefit from the wisdom of the masses through discussions by way of normal democratic channels. At the same time, efforts should also be made to correct shortcomings in work and overcome bureaucracy and unhealthy tendencies. Both the party and government welcome criticisms and suggestions in this respect from the masses. However, if different views lead to extreme action, it will objectively affect stability and unity; affect other people's freedom of labor, work, study, and life; and interfere with the progress of construction and reform. Even if their intention is good, their action may lead to what they do not wish and may even be used by a few people who have ulterior motives and who want to see the world plunged into chaos.

Stability and unity demand that we pay a high price, and the overwhelming majority of Chinese people have had personal experience. The young people are our future and hope. We have the responsibility to explain this reasoning to them and clearly help them understand the situation and distinguish between right and wrong in order to enable them to grow in a healthy manner and work with concerted efforts in making positive contributions to the development of the excellent situation of stability and unity and to the cause of reform and construction.

DENG XIAOPING'S DAUGHTER ON DEMONSTRATIONS

HK230233 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 86 p 1

[By Lulu Yu and Jamie Walker]

[Text] At ease in bustling Hong Kong with her pearl earrings and Western-style clothes, the eldest daughter of Beijing strongman Mr Deng Xiaoping said yesterday she could not relate to China's defiant student protesters.

Miss Deng Lin said she appreciated their demands for better food and conditions but not for democratic reform.

"I don't understand the students -- they want democracy, but democracy is already on the way," she said. "Our society is becoming more liberal and all kinds of reforms are going on."

"Since the responsibility system was introduced, living standards have improved for the majority of the people, although, of course, some in the countryside remain very poor.

"What the leadership wants now is that the reforms be accepted by the public and continue in a stable environment, so everyone can get rich soon."

Miss Deng, 45, said she had been following the burgeoning student protest movement since arriving in Hong Kong last week.

Speaking from an office in the China Resources Building, she told how the lives of most Chinese had improved under her father's leadership.

She said: "We all want to be able to buy fish and meat in the market and invite a few friends home for dinner.

"This has already become possible. Things are very expensive in the market but at least they are available.

"We have to take things step by step because stability is essential for the reforms to succeed.

"It is important not only for China, but also for Hong Kong people and foreigners who want to do business with China.

"I can see some of the students' frustrations when they complain about poor canteen food and school facilities.

"It is perfectly all right to air grievances and make suggestions. Knowing the way things are managed in China, their demands for improvement are probably justified.

"But I find their demand for democracy rather one-sided. I also disagree with the way they express their dissatisfaction, if violence has indeed been used as reported."

Miss Deng said she was dismayed by the protest at Shenzhen University, close to the Hong Kong border, where violence flared during two days of protests.

She accused the protesters of being violent and warned they could not expect changes overnight.

As director of China's Oriental Arts Exchange Association, Miss Deng travels frequently.

"Our society is already very open -- my presence here as part of an unofficial cultural group testifies to it," she said.

"Artists can create without the kind of limitations and political interference that has been prevalent in the past.

Miss Dent provided a rare insight into the private life of her 83-year-old father who is attempting to lead a billion people into the 20th century.

Mr Deng, she said, is a surprisingly ordinary man with few idiosyncracies.

"He is not a dramatic character. Rather, he's more of an introvert, a man of few words and few desires," she said.

"His palate is not particular and his hobbies are few. He comes home most nights for dinner and goes for walks with his grandchildren in the morning.

"(At) other times, he is either swimming or playing bridge. That's really all he does."

Dinner in the Deng household is a grand, sometimes rowdy event.

Mr Deng hold court with his grandchildren at one table while his four grown-up children and their partners catch up on gossip at another.

Except for second son Mr Deng Zefang, who is studying for a PhD degree in Rochester, New York, the Deng family still live together.

Sisters Miss Deng Mao and Miss Deng Nan are employed in a trading company and the Technical and Scientific Institute.

"As children of a leader, we naturally attract some attention, even some special treatment, at home and abroad.

"But we do not see ourselves as special people and as long as we feel that way, we're not going to be entangled in favours and special deals," she said.

Miss Deng, who arrived on Friday for an exhibition of works by painters of the society that she heads, visited the Sung Dynasty Village, attended several banquets and did a little shopping on her own.

She said: "Almost no one recognised me. It's very nice to be able to do things on my own.

"I'm not too keen about Hong Kong. It's too crowded and too hectic."

DEMONSTRATIONS 'MAY BE PRECURSOR OF SHOW OF FORCE'

HK230225 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 86 p 2

[By David Chen]

[Text] Student demonstrations in Shanghai may be the precursor of a show of force from the hundreds of university campuses throughout China -- unless authorities snuff the glimmer of democracy that has inspired them.

This is the view of many China analysts who believe the authorities who promoted the display of "freedom of expression" and demands to hasten democratic reforms may well have created a time bomb.

The Government may also have realised this and an official statement that Shanghai students had beaten up more than 30 policemen could be an excuse for a clampdown.

Analysts said although the students had returned to their campuses, the situation remained volatile and it would take several days before a full assessment could be made.

Shanghai's new party secretary, Mr Rui Xingwen, and the new Mayor, Mr Jiang Zemin, now face a severe test of their commitment to reform in the way in which they handle the students.

Their most likely course of action would be a two-pronged approach -- to deal firmly with any unruly activities and to send senior officials to the many campuses to debate and convince the students of the state's determination to promote political reforms.

This course appeared to have been taken yesterday, with a ban on demonstrations, allegations of unruly student behaviour, the dispatch of thousands of police to the People's Park and City Hall, coupled by a soft approach expressing willingness to hold a dialogue with student representatives.

Shanghai's main newspaper yesterday attacked what it called criminals for making trouble during the past two days of student protests and criticized demonstrators for disrupting traffic and social order.

In a front-page story, WEN HUI BAO quoted an official of the city Government as saying the enthusiasm of students for reform was understandable, "but they should maintain stability and unity".

It added: "In the past two days, demonstrations have caused serious obstructions at major traffic centres, affected production and social order.

"Some criminals took the opportunity to make trouble.

"All these should bring our serious attention and concern."

A notice from the city's Municipal Police Security Bureau, reported by Shanghai Radio, called on citizens to "expose trouble-making and disrupting activities by a small number of people with ulterior motives and criminals in order to maintain public order.

The notice listed a number of banned activities and said those violating the provisions listed would be "severely punished by public security and judicial organs according to the seriousness of their individual cases and according to the provisions of the criminal law".

Authorities appear to have given their own notice -- they will have no alternative but to take decisive action if trouble continues.

The demonstrations and wall posters have put the authorities both central and provincial, to the test.

Until the middle of last week, they believed the demonstration were generally isolated.

The demonstration two weeks ago by students at the University of Science and Technology in Hefei, the provincial capital of eastern Anhui, was believed to have been engineered by a political faction that favours a more energetic reform program.

Enrollment in the university is almost exclusively reserved for the children of the elite, 90 percent of who are said to have the opportunity of further studies abroad in the United States, Canada or Europe.

It would be unlikely they would take to the streets on their own, risking the forfeiture of their future career, unless they were directed to do so.

The grievances aired by students of central China's Wuhan University were largely domestic, the students generally demanding redress of university rules which they claimed were unreasonable.

At Beijing University (Beida), students' discontent was reflected by wall posters only.

In September, however, they and students from other tertiary institutions took to the streets, ostensibly over the textbook issue.

But the protests quickly changed to a demand for a greater degree of democracy and liberty.

The Vice Mayor, Mr Zhang Baifa, had to spend a whole month on the campus to calm student feelings.

Senior party and Government leaders, including Mr Hu Qili, a former first secretary of the Communist Youth League, took turns to talk to the students.

Slowly and quietly, student sentiments were soothed.

However, if the Hefei demonstrations appear to have been orchestrated by certain elements, the Shanhai rallies were spontaneous, analysts said.

A China specialist, Mr T.L. Tsim, said this was reflected by two of the four demands they made -- that the authorities acknowledge the demonstrations as legal and that the participants not be arrested.

"If the demonstrations had been intstigated by someone from above, the students would have known they had backing and would not have made such demands," he added.

The analysts also pointed out that student rallies in Shanghai had a uniqueness of their own.

Shanghai, the metropolis that was under foreign domination for about 100 years, had always been a hotbed for student agitation.

It was here that students, together with their Beijing and Tianjin counterparts, took to the streets in the famous May 4 Movement that gave birth to a new approach towards culture and literature.

Shanghai students were also at the forefront during the anti-Japanese war.

When the Chiang Kaishek Government was tottering in the late 1940s, Shanhai students played a major part in clamouring for a change.

During the Cultural Revolution they also played a leading part in promoting the radical ideas of Marshal Lin Biao and the so-called Gang of Four.

Fudan University, for instance, was the centre of radical cultural and literary activites for the Gang of Four when they were in power and it took Mr Deng Xiaoping many years to reverse the trend.

Shanghai as a whole was so "conservative" that the then party first secretary, Mr Chen Guodong, and the good-natured Mayor, Mr Wang Daohang, could hardly effect any changes and they had to be replaced 18 months ago.

Mr Rui and Mr Jiang have effected some reforms but because of the deeply entrenched bureaucracy, much remains to be done.

EDITORIAL ANALYZES STUDENT DEMONSTRATIONS

HK230507 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 86 p 18

[Text] As this newspaper pointed out months ago, something strange is happening in China. Politics are making the headlines again, and for the first time in 10 years, young people are on the march. What is to be made of the present unrest? One notes the size of the demonstrations, the amazing tolerance of the central authorities, the curious fact that the series of rallies seem almost orchestrated, having built up relentlessly to the Shanghai demonstrations over the weekend -- the biggest political display in China since the closing days of Cultural Revolution. These facts are noted, and observers can be forgiven for thinking that more is to come. But there is one thing about China on which one can be certain about, and that is nothing is ever quite what it seems.

The wave of student unrest and demonstrations for speedier political reforms may be interpreted several ways. One is that they have somehow been arranged or encouraged by reformist-minded elements in the top leadership of the government as a means of galvanising popular and obvious support for the political reforms needed to ensure the success of China's increasingly market-oriented economy. The other is that they are a spontaneous and genuine outburst of desire for political reform, springing from the students but possibly with the unspoken support of the urban masses (who have not benefited from the economic reforms quite as much as the rural population). Another is that the demonstrations' origins have been relatively trivial, such as poor canteen food or the quality of teaching, and have exploded from there because of dissatisfaciton with the system. The truth probably lies somewhere in between.

The possible consequences may be profound; one has only to look back to the chaotic days of the Cultural Revolution to realise that. The decade when politicised youth run wild is not officially regarded as an aberration, a disaster. But are all those who unleashed the Red Guards totally discredited and impotent? Or are there still powerful purists in the party who regard the present tinkering as a betrayal of Marxist-Leninism?

History does not repeat itself, but it does have a tendency to go round in circles sometimes, and there are certain connections between the present unrest and the past. China has a history of using mass movements to achieve political ends, and students can point to a tradition of street activism that has been a venerated force for social change. For instance, 51 years ago the students of Beijing took to the streets in a famous protest against the spread of Japanese power: A movement now regarded as marking the resurgence of Chinese nationalism. It is no coincidence that the present protests began with a march on December 9 by students in Hefei, because it was the very day the anti-Japanese movement started in 1935.

Today, the students are calling for powerful political changes -- freedom of the press, a move towards democracy, more political power -- all things which the top leadership has been advocating but has been slow to move towards. The students have not challenged the legitimacy of the Communist Party, nor have they advocated a move away from the one-party state. But their outspoken demands, and the size and spread of the marches, must be disturbing to the cautious, and the elements of the debate which have emerged so far show that not everyone agrees with Mr Deng Xiaoping.

And uppermost in everyone's minds must be the fate of those hopefuls who in 1979 launched the short-lived Democracy Wall movement. Those dissidents, like the present student demonstrators, were tacitly encouraged. Then, when Mr Deng's leadership was secure, they were ruthlessly silenced -- ironically by the man who has done more than anyone to initiate reform and open China to the world.

If force is now used to crush the students, it would either indicate a titanic but silent power struggle at the top, or much wider dissatisfaction with the system than anyone suspected. If it is the latter, the students are testing the limits, and it is to be suspected that they have been almost reached. It seems unthinkable that the pragmatic leadership now in charge would entertain the remotest possibility of a new Cultural Revolution endangering the China they are building. If the protests continue, then Mr Deng's grip on the leadership is far less secure than we have been led to believe.

EDITORIAL SUGGESTS DEMONSTRATIONS 'ORCHESTRATED'

HK230353 Hong Kong HONGKONG STANDARD in English 23 Dec 86 p 6

[Text] The most ticklish question raised by the student protests in Shanghai is: How spontaneous were these demonstrations?

Did these disturbances spread across the country like a disease, with no political purpose or idealistic intent? Or were they carefully orchestrated as part of an ideological struggle?

Longtime China-watchers can cast their minds back over a lengthy history of social reorganization and ideological upheaval in the Middle Kingdom. But nothing has happened in the post-war years to equal the trauma produced by the Cultural Revolution of 1966 to 1976. And some observers of these latest protests are now raising the spectre of "a new Cultural Revolution" in China.

During those dark days, it will be recalled the unqualified slogan, "to rebel is justified," personally hallowed by Chairman Mao to arouse militant mass movements against his opponents throughout the country, was used by radical leftists to oppose those then in power at various levels of the administration.

Is history repeating itself? Or did these demonstrations represent nothing more than a desperate attempt by exasperated young intellectuals to draw attention to genuine grievances?

Some of these students have spoken of the drab, even deplorable, conditions under which they live. Others have complained of substandard food.

Others still may see themselves as pawns in the government's hands because they are aware that some of their compatriots are benefitting from recent social and economic reforms.

They look around and they see such people as taxi-drivers and restaurant-owners operating under near free-enterprises conditions. They read news stories about farmers who are making money.

Yet many of these same students are also aware that they themselves are likely to be stuck in petty government jobs that are arbitrarily assigned to them. They may have little or no choice about the work the do -- or the place they live -- after they graduate.

Many young intellectuals endorsed the call of First Deputy Prime Minister Wan Li for democratic progress.

The students also put forward numerous reformist proposals of their own. Unfortunately, these were largely ignored by the recently held Central Committee meeting. And it is hardly surprising that some young intellectuals feel short-changed by what they see as the timidity and tardiness of the much-vaunted Dengist advances.

If these students are genuinely calling for social and economic reforms they can by no stretch of the imagination be described as radical leftists of the type who participated in the Cultural Revolution.

And there is, surely, a certain irony in the mere suggestion that China's current leadership under Deng Xiaoping would take a leaf from the Great Helmsman himself and do what Mao did in the 1960's when he was losing power to men like Lin Biao.

Deng was, after all, himself a victim of the student demonstrations of 1966-77. And he knows only too well the chaotic consequences that can arise for the country when such protests lurch wildly out of control.

Nor does the situation exist today in which there are major factions within the Chinese leadership, with one group seeking to use one section of the people to hit out at its own enemies.

A dip into the archives reveals that in February 1957, in the wake of the Hungarian revolt, Mao Zedong announced his doctrine of free criticism under the slogan "let a hundred flowers bloom and a hundred schools of thought contend."

The period of free criticism began in May that year, but soon torrents of resentment expressed by the intellectuals alarmed the authorities in Beijing. By mid-June 1957 free criticism had been brought to an end, and simultaneously an anti-rightist campaign was launched with the purpuse of weeding out opposition elements.

A similar clampdown seems to be taking place now. Student demonstrations have been banned in Shanghai. And armed police have cordoned off the city.

This action should not, however, be compared with the sudden, often confusing, policy shifts which marked the Mao era.

It is clear that the authorities in Beijing are alert to the need to prevent the student protests from being used by certain elements anxious to attack the progressive Deng regime.

It has been suggested that the reformist proposals put forward by young intellectuals were largely ignored at the Central Committee meeting because of opposition from conservative elements within the party.

Some cadres would undoubtedly like to block these reforms because they are entrenched in their positions and don't want to give them up. They don't want to be rendered redundant by social and economic advances.

Why should a textile factory, for example, need a resident party cadre if the emphasis is to be on production rather than dogma?

The current holders of such ideological appointment believe that the reformers are moving much too quickly. They would use any means they could to turn the clock back.

This also, perhaps, sheds a new light on Deng's comment earlier this month that there are many hurdles ahead in the implementation of political reform. And it will take time before they can be successful.

With the 13th party congress due to be held in the latter half of next year, the debate on democratic reforms may be rekindled with new passion and vigour.

But the reforms can only be retarded by student violence and unruly flare-ups. Opponents of the Dengist advances could use such upheavals as an excuse to hit out at the central government.

"See what happens," they could say. "You give them a little bit and they ask for the whole country."

The decision to ban student demonstrations in Shanghai can be seen as an attempt by the Beijing authorities to head off such criticism.

The clampdown on the young intellectuals may succeed in buying the Dengist reformers a little time.

But it is important that they use this time to speed up their reforms and to bring more democracy to China. Otherwise, they will run the risk of more flare-ups in the future.

The opponents of progress must not be allowed to turn the clock back.

RENMIN RIBAO ON INVESTMENT STRUCTURE READJUSTMENT

HK230803 Beijing RENMIN RIBAO in Chinese 18 Dec 86 p 2

[Commentator's article: "Both the Central and Local Areas Should Invest in Key Construction Projects -- New Thoughts on Speeding Up the Readjustment of the Investment Structure"]

[Text] How should we effectively readjust the investment structure and enhance the key construction project concerning energy, raw materials, and communications on the premise of bringing the investment in capital construction under control? This was an important question discussed at a national planning conference held recently.

Some specific measures that yielded results have been taken in recent years to readjust the investment structure. Nevertheless, the progress made is still limited. The reason is that the investment structure cannot meet the needs of the reform of the economic structure as a whole and that the "big pot" in the supply, transportation, and distribution of energy and raw materials is not yet smashed.

With the development of the reform of the economic structure, tremendous changes have taken place in the distribution setup of the national income. In 1985, income of the localities and enterprises not included in the budget totaled over 15 million yuan, an increase of 170 percent over 1980. The proportion of ex-budgeted income to budgeted income increased from 51 percent to 83 percent. If this trend continues in the next few years, ex-budgeted income will probably approach or exceed budgeted income. The changes in the distribution setup have resulted in diversification of investment. As a result, the scope of budgeted investment has been limited, but the tasks of the state to build key construction projects have not been alleviated. The annual investment in key construction projects accounts for around 60 percent of the budgeted investment. Although local areas and enterprises have made investment in the construction of energy, communications, and raw materials projects in recent years, the amount is still limited compared with their investment in processing industry and nonproductive projects. This aggravates the contradiction between supply of and demand for energy, raw meterials, and communications. To put an end to this state of affairs, it is necessary to reform the investment structure and abolish the traditional practices of the state monopolizing the construction of energy, raw materials, and communications projects so that all localities and enterprises will concern themselves with the construction of the key projects and so that a new structure will take shape in which each sector will reasonably undertake responsibility in building key construction projects. The state will be responsible for the construction of a small number of large-scale basic industries and facilities, while the construction of some key projects will be undertaken by local areas and enterprises or be built on a joint basis.

While preparing investment plans for the next year, both the central and local areas should uphold the spirit of reform and embody the requirements of this new thought. While making investments, the local areas should curtail the construction of processing industry and use more funds to develop the key construction projects of energy, communications, and raw materials. Many localities have now gone in for large-scale construction and built luxurious guesthouses, hotels, amusement parks, sanatoriums, "centers," and buildings. Some localities have gone in for the construction of scenic spots that imitate ancient cities or streets. Unless we put an end to such practices which deviate from the country's current capacity, the readjustment of the investment structure, the stress on key construction projects, and the invigoration of our economy will all be empty talk.

It is a complicated task that covers much ground to reform the investment structure and smash the "big pot" in the construction of key projects. It is not enough to merely have new thoughts. We must have a full set of methods that can attract various quarters. Only in this way can we arouse the initiative of various localities and enterprises for building key construction projects and make headway in readjusting the investment structure.

'STEADY DEVELOPMENT' OF PRC ECONOMY IN 1986 NOTED

OW231140 Beijing XINHUA in English 1118 GMT 23 Dec 86

[Text] Beijing, December 23 (XINHUA) -- The year of 1986 has witnessed a "steady development" of China's national economy with continued growth in industry and a good agricultural harvest.

According to the State Statistics Bureau, the gross national income is expected to reach 770 billion yuan this year, an increase of seven percent over 1985.

Although the country's industrial growth rate has slowed this year, the total industrial output value is estimated at 980 billion yuan, up 8.7 percent over last year. By the end of November, 39 of the country's 100 major industrial products had met their annual quotas.

Statistics show heavy and light industries have developed in a co-ordinated way and their production structure has been well balanced. Output of coal, power electricity, iron and steel, cement and nonferrous metals has increased markedly. Difficulties in maintaining a steady supply of coal and cement have been eased.

The bureau reports big increases have also been registered in the production of market demand commodities, such as refrigerators, cameras, tape recorders and wrist-watches.

China's grain output is expected to reach 390 million tons this year, 10 million tons more than last year. Rural enterprises will generate a total output value of 330 billion yuan in 1986, exceeding this year's agricultural output value for the first time, said the statistics bureau.

Retail sales for the whole year are expected to reach 495 billion yuan, a rise of 15 percent over 1985. The average annual wage of urban workers will amount to 1,310 yuan while the average peasant's net income is estimated at 425 yuan, up 14 and seven percent over last year respectively, officials said.

In 1986, the growth rate of consumption fund is lower than that of last year, and the foreign trade deficit has been reduced. The price index of retail sales this year has been controlled at about six percent as against 8.8 percent last year.

The bureau says the scale of investment of capital construction has been brought under control this year and the country's 1909 key projects have been going on smoothly. By the end of November, more than 7.5 billion yuan had been saved by stopping or postponing the construction of 1,200 nonessential projects.

The bureau also reports China's suffered from rising prices of raw materials, fuel, power and transportation which have combined to increase production costs. The economy still cannot produce enough goods to meet consumer demands. Other problems such as poor management and higher energy consumption still exist. all these problems will slow the increase of state revenues.

GUANGMING RIBAO ON GROUP STOCK SYSTEM ARTICLE

HK221154 Beijing GUANGMING RIBAO in Chinese 13 Dec 86 p 3

[Article by Wei Kaiwu (7614 7030 2976) and Fang Hanting (2075 3352 1694): "Also Discussing the Group Shareholding System -- Exchanging Views With Comrade Chen Biwu"]

[Text] On 8 November 1986, GUANGMING RIBAO published Comrade Chen Biwu's article entitled "A Brief Talk on the Group Shareholding System" (hereinafter referred to as Chen's article for short). The assertion of Chen's article that the group shareholding system is the best way to realize social ownership has greatly inspired us. We deem it necessary, however, to discuss the methods for exercising the group shareholding system.

First, Chen's article confuses the concept of the group ownership system with that of the group shareholding system. The group ownership system is a collective ownership system of a capital-raising nature. Under this system, the assets of an enterprise or company belong to all members of the group and no one else has the right to allocate these assets. The method of developing the enterprise or company is decided by the group, and the operational and ownership rights of the enterprise or company are in complete unison. Howeve, one prominent characteristic of the group shareholding system is the separation of the operational right from the ownership right. Under this system, the assets of an enterprise do not belong to the enterprise but to shareholders; in matters concerning operation, the enterprise has full flexibility but acts only as an agent; and the staff and workers (including the manager) of the enterprise are not the matters but the employees of the enterprise. Therefore, the system of dividing the assets originally owned by the state into three parts of shares held by the state, the enterprise, and the staff and workers is in fact a group ownership system because it does not bear the characteristic of enterprises under the stock system. The difference is that this group ownership system contains the state factor whereas the ordinary collective ownership system does not.

Second, Chen's article confuses the main composition of shares. The article stands for dividing state assets into three parts to be possessed by the state, the collective, and the staff and workers, thereby actually admitting that the enterprise holds its own shares. As an enterprise under the group shareholding system, the enterprise should not hold its own shares and therefore it cannot become a shareholder of the enterprise. It will become a nonstock enterprise if it holds its own shares, and this confuses the main composition of shares. But as a shareholder agent, this enterprise can become a shareholder of another enterprise by making investment in it. This investment is in essence still a shareholder's investment, the difference being that the investment has been expanded from its own enterprise to another enterprise.

Third, the article overlooks the difference between the entity and individuality of the ownership of the means of production. Chen's article says: "As members of the working class, staff and workers are entitled to posses their shares of state assets"; therefore, the "shares owned by the enterprise and its staff and workers should, naturally, be gratuitously released by the state." As we are aware, a citizen of a socialist country is, of course, entitled to posses his share of state assets. But public ownershp of the means of production does not mean everyone's possession of the means of production but merely symbolizes a civil right that is reaized in various forms of welfare and public consumption rather than by carving out public assets. [paragraph continues]

Therefore, although as a member of society a worker enjoys the right of public assets, this does not mean that he can possess all these public assets. In other words, ownership by the whole people does not mean ownership by enterprises, and still less does it mean ownership by individuals. If so, everyone would carve out public assets and there would not have been such a thing as public ownership. Therefore, employees of an enterprise will truly become the owners of the enterprise only when they buy the shares of the enterprise.

Fourth, the position of the state being the main investor remains unchanged. Chen's article says: The assets of an enterprise under the group shareholding system can be formed by dividing state assets. "Fifty percent of the shares of ordinary large and medium-sized enterprises should still belong to the state, 30 percent to the enterprise, and 20 percentd to the staff and workers." As a matter of fact, the state still remains the main investor because the assets of the enterprise and its staff and workers still originate from the state, which occupies an absolutely superior position in the above proportion. We believe that the principle part of investment in an enterprise under the group shareholding system should be made in an diversified manner by absorbing self-owned capital rather than by carving out the assets of other enterprises as its capital.

The above analysis enables us to easily understand that the "group shareholding system" in Chen's article is in essence the state ownership system and that the methods explained in the article are not the methods for exercisingd the group shareholding system.

RENMIN RIBAO ON MODERNIZING INFORMATION WORK

HK221037 Beijing RENMIN RIBAO in Chinese 20 Dec 86 p 1

[Commentator's article: "Information Work -- The Cornerstone of Modernization Engineering"]

[Text] At present, the economic, political, and cultural aspects of our country are undergoing profound changes, and the country is advancing toward the grand goal of socialist modernization. Such a huge project must be based on a solid foundation. The information work, especially the information work in social sciences, is a foundation stone of great importance.

The key to the realization of the four modernizations lies in the modernization of science and technology. Here, science also includes social sciences. We do not deny that the state of natural sciences in our country is backward, but we do not have sufficient courage to acknowledge that the studies of socal science in our country in general remain below the advanced world level. Some branches of science lack sufficient data and remain at the stage of general and abstract inference. This is also a backward aspect. If our academic and theoretical work is not based on the full accumulation of data, it will be hard for us to fundamentally overcome the subjectivist factors. We should understand the importance of information work from the angle of adhering to the thinking line of materialism. In order to discard metaphysics and make our research work scientific, we must settle down to accumulate and analyze data.

A scientific and democratic decisionmaking and policy-making process cannot be separated from the information work of social sciences. What are the national conditions of China? Only by gathering and sorting out a great deal of historical and current data about China's economic, political, social, scientific, and cultural affairs can we find out about China's national conditions. [paragraph continues]

In the steps of formulating, evaluating, and revising policies, if we merely have a vague idea about China's basic situation and if we cannot correctly learn the people's feelings, thoughts, and correctly reflect their exploratory efforts, then it is still hard to eradicate the ingrained diseases of subjectivism and bureaucratism. In general, policy-making departments do not have sufficient information channels and they are still not good at relying on the information work of the social scientists. The information section of social sciences has some special advantages. For example, scholars and theoretical workers have more free means of gathering data and can gather data in a more systematic way and more deeply analyze the data. The information workers in the field of social sciences should have foresight and make greater contributions to the improvement of the policy-making level of the party and the government.

In modern times, no country can accomplsih its modernization process by closing its door. Modernization itself is a kind of civilization that transcends any country boundaries. We need an "open world" and need to acquire and study all information about other countries' economic, political, scientific, and cultural affairs. Without this most extensive information work, we will not be able to grasp the general tendency in the world's development, to absorb other countries' experience, and to adapt ourselves to the highly competitive international environment. For example, if our information work failed to sharply and fully study the rise and fall of oil prices and their influence on the world's economy in recent years and could not make forecasts and put forward countermeasures, we would not be able to prevent losses and grasp favorable opportunities.

To strengthen the information work in social sciences, it is particularly necessary now for us to solve the issue of handling information in an open way. Our basic data are originally insufficient, but some of them are sealed. This certainly affects the research work of social sciences and the normal unfolding of international exchanges. It is certain that some secret information should be controlled within certain limits, but our problem now is that the scope of confidential data in our country is too wide and there is no scientific standard for defining the security classifications. Information should be handled in a more open manner and data in the confidential files should be made public gradually and selectively. At the same time, "barriers" between different scientific information institutions should also be pulled down, and information blackouts between various departments must not continue. Without solving this issue, we will not be able to modernize our means of handling information. Here, the key lies in overcoming the small producers mentality in our scientific research work. Whether we are used to advancing our information work in an open manner and whether we are good at promoting vertical communications and horizontal contacts is a major criterion to test whether we really have a modernization idea. We must therefore not take it lightly.

BENEFITS OF SENDING STUDENTS TO COUNTRYSIDE VIEWED

OW230718 Beijing Domestic Service in Mandarin 1200 GMT 22 Dec 86

[Text] Since the beginning of the 1980's, a good situation, seldom seen in many years, has occurred in the social practices of college students. Such social practice is particularly characterized by its integration with the drive for the four modernizations, the educational reform, and college students' efforts to increase their abilities.

It has been learned that since the beginning of this year, students in more than 20 provinces, autonomous regions, and municipalities directly under the central government have been organized into construction teams or battalions to take part in projects for regional economic, technological, and social development, projects for tackling difficult technological problems, cultural and technical training classes, social investigations, or voluntary labor in key developing areas, old revolutionary base areas, areas inhabited by minority nationalities, poverty-stricken areas, areas with key projects under construction, cities, or rural areas. Some 500,000 students have participated in such activities in Beijing, Tianjin, Jiangsu, Zhejiang, Sichuan, and 10 other province and municipalities alone.

A responsible person of a relevant department under the CYL Central Committee told reporters today: The activities of social practice camps this year have the following three distinguishing features:

1. These activities are closely linked with local strategies for economic development and with regional development projects. In Liaoning, more than 20,000 students were organized into over 240 construction battalions to develop remote and poverty-stricken areas and to provide technical services for village and town enterprises, small and medium-sized enterprises, and rural areas. Those students completed more than 1,300 projects in technical transformation, technical training, special-subject investigation, and designing, and achieved direct and indirect economic results worth 426,000 yuan.

2. Social practice camps have provided intellectual and technical services for urban and rural economic development. Students of the Nanjing College of Engineering designed a power-outage safety device for a set of plastic-making machines imported by the Huaian County plastic plant. By using this safety device, the plant can save more than 300,000 yuan worth of raw materials.

3. Such social practice has promoted coordination between higher education and economic construction, which in turn has facilitated the training of qualified people. Graduate students of Qinghua University went to the northeast, southwest, and northwest of the country to provide technical services for small and medium-sized enterprises there. By so doing, they learned what they had not been able to learn from books. Beijing University students who participated in such activities in Guizhou and Yunnan said: What we have seen while engaging in such practical activities has greatly inspired us as far as reform is concerned. At the same time, we have also realized that economic, cultural, and scientific development in various parts of China is very uneven. Therefore, reform must be carried out step-in-step, and unrealistic theories cannot be used to carry out reform.

TA KUNG PAO ON PLANNED PRC FORUM ON HUMANISM

HK230318 Hong Kong TA KUNG PAO in Chinese 23 Dec 86 p 2

["Special Dispatch" from Guangzhou: "More than 80 Scholars Gather in Guangzhou To Discuss Theories on Humanism"]

[Text] Guangzhou, 22 Dec -- Under the present comparatively relaxed, harmonious, and equal academic atmosphere, discussions on theories of humanism, which once became quiet and stagnant, have now become active again. Some articles with different viewpoints are being published in newspapers and journals again. [paragraphs continued]

A score of monographs and collections of essays have been successively published in Beijing, Shanghai, Nanjing, Guangzhou, and Chengdu. What arrests people's attention most is a large-scale academic activity participated in by nearly 100 scholars, who will discuss the questions of humanism and the philosophy of man. The discussion will start from 23 December in Hunan Teachers' University. It will be the biggest discussion on these topics over the past 3 years.

A number of scholars have maintained that the reason the questions of humanism and the philosophy of man have become a "popular topic for discussion" in the academic field in the interior is mainly that with the recent rapid development of commodity economy, people have had to think again about the nature, status, and value of man. More than 80 noted experts and scholars, such as Xiao Qian, Wang Ruoshui, Li Honglin, Xue Dezhen, Wen Yuankai, Duan Ruofei, and others have entered their names for the discussion.

Discussions on humanism have gradually revived in the interior, and the atmosphere for free contention among different schools has become increasingly lively. Different viewpoints, opinions, and understanding are simultaneously aired. The Joint Publishing Company has recently published a collection of essays entitled "In Favor of Humanism" by Wang Ruoshui. The book has become a best-seller in Guangzhou bookstores. Free debate between Wang Ruoshui and Hu Qiaomu, and free contention among different schools, with their arguments convincingly presented, are also reflected in other newly published works and articles. At present, the main point at issue in the academic discussion in the theoretical field of the interior is: Does Marxism conflict with humanism? Is there any socialist humanism which has existed independently as an ethical principle and moral standard? Due to the fact that the theoretical field in the interior has adopted a practical attitude toward the assessment of the achievements of modern philosophical studies in the West, the study of theories on humanism is developing gradually to keep abreast with the academic trends in the world.

YU QIULI EXHORTS MILITARY ACADEMY CADETS

OW220501 Beijing XINHUA Domestic Service in Chinese 1559 GMT 19 Dec 86

[By reporter Liu Huinian]

[Excertps] Beijing, 19 Dec (XINHUA) -- Yu Qiuli, deputy secretary general of the Central Military Commission and director of the PLA General Political Department, met with cadets of military academies who had returned from field training on the Laoshan front this evening. He praised the cadets' militant spirit by having undergone field training under actual combat conditions. [Passage omitted on cadets' heroic deeds]

Sitting in a circle with the young soldiers, Comrade Yu Qiuli heard their reports and said: While fighting on the frontline, you defied hardship and death. On behalf of the Central Military Commission, I extend warm regards to you. It is of great significance for the growing younger generation of cadets of military academies to undergo field training on the frontline because you learn what you cannot get in the classroom. Inheriting the glorious tradition of the People's Army, you have been tempered in actual combat. Your ideals, convictions, and tenacity are manifestations of your youthful awareness. Yu Qiuli then called on them to contribute to Army construction by passing on the frontline's heroic, tenacious, and hardworking style to other PLA units. Present on the occasion were PLA General Political Department Deputy Director Zhou Wenyuan, Shenyang Military Region leaders Liu Jingsong and Liu Zhenhua, and Dalian Army Academy veteran hero and adviser Sun Yi.

CULTURAL, ARTISTIC PRODUCTS ALSO COMMODITIES

HK150815 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1222 GMT 14 Dec 86

[Text] Beijing, 14 Dec (ZHONGGUO XINWEN SHE) -- GUANGMING RIBAO today published a signed article that cultural and artistic products are also commodities. Although efforts will probably be devoted to pursuing economic results, to the neglect of spiritual ones after these products enter the market and participate in competition, the fact that they are commodities cannot be denied, nor should they be forbidden to enter the market.

The article says: Whether a cultural or artistic product is good or bad is not determined by one or two persons, but by whether it meets the masses' needs. For a time in the past, the political role of cultural and artistic products was improperly enforced, taking serving politics as the sole purpose of cultural and artistic production, regardless of whether the masses needed or could accept them. As a result, the productive forces in culture and art were restricted, the masses' spiritual needs could not be met, and cultural life in the entire society was monotonous, dull, and stagnant.

This state of affairs is becoming increasingly prominent, following the improvement in people's living standards on the mainland. Therefore, the article points out that the purpose of cultural and artistic production is to meet, to the largest possible extent, the people's increasing spiritual needs. To facilitate this, our efforts should not be confined to just polishing the administrative mechanism, as this will not help remove the shortcomings of the old system; the only way is to get out of the old system and expand and improve the cultural market mechanism.

Today's GUANGMING RIBAO also carried an item entitled "An Important Breakthrough in Shanghai's Literature and Art System," indicating that the "Zhonglin Ballet Troupe," the first of its kind in China to be named after a person, has been formed in Shanghai. In the meantime, the famous music conductor Chen Xieyang has been appointed chief music supervisor of the Shanghai Philharmonic Orchestra. Li Zhonglin and Chen Xieyang have the right to organize personnel, finances, and the programs to be performed.

WAN LAI DISCUSSES EDUCATION WORK IN ANHUI

OW040551 Beijing XINHUA Domestic Service in Chinese 1311 GMT 3 Dec 86

[By RENMIN RIBAO REPORTER Zhao Xilong and XINHUA reporter Tian Wenxi]

[Text] Hefei, 3 Dec (XINHUA) -- On 30 November in Hefei, Wan Li, vice premier of the State Council, invited responsible persons and teacher representatives from 12 universities to a lively discussion meeting on democracy in running schools.

Wan Li said: Today, we are holding a discussion meeting on democracy in running schools for the main purpose of soliciting your advice. Please express your opinions freely. School presidents, secretaries, department heads, and teachers may all speak. In making your speeches, please speak out what you have in mind and speak honestly. Then, Vice Governor of Anhui Yang Jike and responsible comrades and teachers from nine institutions of higher learning, including the China University of Science and Technology, Hefei University of Technology, and Anhui University, expressed their views and made suggestions on how to run schools in a democratic way.

Wan Li said: Educational reform is imperative. Not only the education system, but also the leading system should be reformed. It is necessary to adhere to the principle of democracy in running schools to train qualified personnel required by our four modernizations program. He pointed out: University presidents must conscientiously implement the party's line, principles, and policies, have cultural and scientific knowledge and organizational and managerial expertise, and display a hard-working spirit and democratic work style. Wan Li praised what some institutions of higher learning had done in test-implementing the system of the school president assuming full responsibility, the system of school affairs' councils and evaluation committees for appraising academic achievements, awarding degrees, and examining the qualifications of teachers for their work, and the system of the faculty congress, which includes the motions, housing-assignments, and faculty welfare committees. He said: Schools differ from enterprises. A new system should first be tested in a few schools on the basis of their characteristics. Then, experience gained in these schools is summed up, and the new system is gradually popularized in more and more schools.

Having heard the remark by Deng Zhiyu, secretary of the party committee of the Hefei University of Technology, on the efforts to improve both party and school style while running the school in a democratic way, Wan Li said happily: When the school has paid attention to improving both party and school, the thinking and moral character of its graduates will be quite different. Efforts to promote democracy should be combined closely with the strengthening of the legal system and education in discipline, and neither of these can be dispensed with. Democracy without centralism and freedom without discipline are both against the essence of the Resolution of the Communist Party of China on the Guiding Principles for Building Socialist Spiritual Civilization. Wan Li also said: School authorities and departmental heads should be concerned about, and acquainted with the students' thinking, study, and everyday life. They should also help students solve the various problems they have encountered with respect to ideology, study, and everyday life. Teachers should not only teach, but also cultivate their students.

Li Guixian, secreatary of the Anhui Provincial CPC Committee, and Wang Yuzhao, provinical governor, also attended the discussion meeting.

On the morning of 1 December, Wan Li called on the scientists working at the Hefei Branch of the Chinese Academy of Sciences at Dongpudao.

WAN LI, OTHERS AT ART EXHIBITION 15 DEC

OW151402 Beijing XINHUA in English 1253 GMT 15 Dec 86

[Excerpts] Beijing, December 15 (Xinhua) -- Artist Fan Zeng opened a one-man-show at the National Art Gallery here today.

Fan Zeng, 48, best known for his paintings of ancient Chinese historical figures, has 100 paintings display. Through his brush, the national spirit and self-esteem of famous Chinese poets such as Li Bai and Du Fu, and the images of legendary figures come to life. Almost two thirds of the paintings on display are of well-known figures. [passage omitted]

Kang Kequing, vice chairwoman of the National Committee of the Chinese People's Political Consultative Conference, Mu Guoguang, president of Nankai University, and Liu Yandong, president of the China Youth Federation, cut the ribbon for the exhibition, and over five hundred artists and art lovers attended the opening ceremony.

[Beijing XINHUA Domestic Service in Chinese at 1208 GMT on 15 December in a similar report adds that Wan Li, Wang Zhaoguo, Banqen Erdini Qoigyi Gyancan, Zhao Puchu, and Song Defu were present at the art exhibition]

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Article by Li Zhaofu: "On the Effectiveness of Ideological and Political Work"

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Article by Shi Xiaoyan: "Written Records of Stormy Struggles -- Introducing Marshal Xu's Memoirs 'Historical Recollections' (Volume II)"

NHK REPORTS ON SHANGHAI STUDENT DEMONSTRATIONS

OW221501 Tokyo NHK Television Network in Japanese 1200 GMT 22 Dec 86

[From the "News Center 9" program]

[Text] In China, college students, an elite class assured of assuming leadership as Communist Party cadres in the future, are currently continuing demonstrations in various parts of the country demanding political democracy.

The CPC leadership, itself studying political reform for effective economic management, at first took the stance of tacitly tolerating the student demonstrations. However, after such demonstrations continued for the third consecutive day yesterday in Shanghai, the heart of the Chinese economy, the Chinese authorities, through XINHUA NEWS AGENCY reports and other means have made it clear that they will not tolerate the confusion spreading any further.

In response to this call from authorities, things were calm in Shanghai during the daytime today; in the evening, however, students began moving again and took to the streets. Correspondent Osaki has filed the following from Shanghai:

[Begin Osaki video report, video shows street scenes, students in streets] Students took to the streets for the fourth consecutive day. Nevertheless, the number of students is much less than yesterday or the day before yesterday. They marched in a very orderly fashion, carrying signs calling for freedom, equality, democracy, or civil liberty. While there are a variety of reports concerning what triggered the student demonstrations in Shanghai, my investigation has discovered this: When an American musical group staged a performance in Shanghai last month, a female student in Shanghai was arrested and detained by police for dancing to the tune of the music.

This incident is said to have triggered the demonstrations. It merely provided the spark, however. Needless to say, in the background of the large-scale demonstrations organized following the incident was the demand voiced in various forms for democracy by college students, who account for only 1 percent of the total population and are thus supposed to enjoy extremely privileged social environments. Specifically, their demand for democracy is that for democracy at the grass-roots levels and for freedom of the press.

In connection with the student demonstrations and sit-ins through yesterday, and in what appeared to be their response to the demand of students, the authorities published for the first time this morning a statement of a spokesman of the Shanghai municipal people's government in JIEFANG RIBAO and WEN HUI BAO, which are published in Shanghai City. At the same time, the Shanghai radio broadcasting station repeatedly broadcast the statement and a proclamation of the Shanghai Public Security Bureau urging students not to take part in the disturbance. In the statement, the spokesman referred in detail to students' activities since 10 December and made it clear that Mayor Jiang Zemin talked to students at the communications university on the afternoon of 18 December and again at city hall after midnight on 19 December. The students' activities are within the range authorized by the Chinese Constitution and their feelings in seeking reform are understandable, he said, adding that however, it is not acceptable that they, as they did this time, take to the streets for demonstrations and thereby adversely affect traffic and the life of residents.

The spokesman also issued a stern warning by saying that vigilance should be raised against the fact that some elements took advantage of the situation and put up wall posters against the basic principle of socialism.

The students had the following reactions to this:

[Video shows Osaki speaking to a Railway School student participating in the demonstration in Mandarin with Japanese subtitles; processed from the subtitles] [Student] We demand equal human rights and freedom of the press. There is no freedom to report things now. We demand that our student demonstrations be reported. Nevertheless, large newspapers are not reporting them.

[Osaki] But today's newspapers reported your demand, did they not?

[Student] However, they distorted the fact. They did not report about beatings and arrests of students.

[Osaki] Today's is a relatively small-scale demonstration, and participants are not students of Communications University and [words indistinct], who have thus far played a main role in the demonstrations. It has been noticed that they are students of the Railway School, who did not participate in past demonstrations. At any rate, this movement of the students seems to be moving toward a close in our opinion.

The authorities have thus far showed a certain degree of understanding and tacit permission regarding the current student movement. However, beginning today they issued warnings through the media against extreme acts of the students and, in fact, imposed partial restrictions on some acts. It will be worth noticing how students in Shanghai react to this step by the authorities. [end video report]

ASSEMBLY PRECEDING SHANGHAI DEMONSTRATIONS NOTED

HK231043 Hong Kong AFP in English 1032 GMT 23 Dec 86

[By Lawrence MacDonald]

[Text] Shanghai, Dec 23 (AFP) -- Four days of demonstrations here grew from a mixture of complaints eventually aired at a rare confrontation in which students booed the mayor and openly questioned the Communist Party's mandate.

On the eve of the first protest march Mayor Jiang Zimin was repeatedly booed and hissed by an assembly of about 3,000 Communications University students who took the floor to voice grievances ranging from lack of press freedom to unequal application of the death penalty, students present said.

The mayor arrived at Communications University as students were preparing to take to the streets to protest against repeated removal from campus walls of posters reporting a spate of student demonstrations in other Chinese cities.

Accompanied by university and party officials, he took the podium in an auditorium packed with nearly a third of the university's 10,000 students and tried to persuade them to cancel their March.

When the 3-1/2-hour meeting ended students politely applauded Mr. Jiang as he left the hall, apparently feeling that he had stood up well to their anger about issues that were not his direct concern.

Posters put up by students after the meeting were removed Thursday night here, and the next day new posters appeared bearing the slogan: "The voice of the people cannot be ripped down."

When school officials removed these posters too, students decided to march to the municipal congress building in People's Square and demand to see the mayor again.

Student activists said 6,000 to 7,000 students from Communications University had taken part in the march, which was also joined by several hundred people from other Shanghai universities.

School officials declined to comment on the size of the march and independent accounts were not available.

Mr. Jiang did not appear at the congress building and marchers, bearing banners demanding more freedom and democracy, moved on to the Communist Party headquarters about two kilometres (1.2 miles) away.

Vast crowds that gathered to watch snarled the city's traffic for the rest of the day but eventually went home, leaving a core of about 2,000 students who determined to spend Friday night here on the Bund, Shanghai's waterfront.

It was this group that student participants and independent witnesses say was forcibly removed early on Saturday by several thousand policemen.

The kicks and blows the police delivered in breaking up the students became a major grievance in the three following days of demonstrations, which were brought to a halt on Monday by a government ban on unauthorized assemblies.

SHANGHAI STUDENT ACTION REPORTEDLY QUIETENED

HK231048 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0618 GMT 23 Dec 86

["Shanghai Student Demonstrations Have Calmed Down" -- ZHONGGUO XINWEN SHE headline]

[Text] Shanghai, 23 Dec (ZHONGGUO XINWEN SHE) -- The street assemblies and demonstrations, which were held by some university students beginning 4 days ago in Shanghai, have gradually calmed down. This morning, public vehicles in all parts of Shanghai could pass unimpeded, and Shanghai residents could go to work and to school smoothly by bus.

At 10 a.m., this reporter telephoned Shanghai Jiaotong University, and was told that students in all departments were having their lessons, and some students were wrapping their Christmas presents. Fudan University was also full of the sound of students reading aloud. Most students in Tongji University were diligently reviewing their lessons and preparing for the coming examinations. Only a small number of students had not returned to their lessons.

The demonstrations by some Shanghai University students were caused by an event on 9 December, in which a graduate student of Jiaotong University was beaten by people when he was watching a show. He returned to school and told other students and the school authorities about the case. This aroused his fellow students' indignation. They organized meetings in the school campus and called for punishment of the assailants according to law. Before that, some students in the Each China Teachers University expressed their discontent with the winter long distance running and the quality of food in their school canteen.

On 18 December, Shanghai Mayor Jiang Zemin went to Jiaotong University, his alma mater, to have a talk with the students there. He hoped that the students would exercise their democratic rights correctly, cherish the present good situation, and maintain unity and stability.

On the afternoon of 19 December, some students from Jiaotong University, East China Teachers University, Fudan University, and Tongji University gathered at the People's Square in the center of Shanghai to hold a demonstration. Hundreds of students climed over the fence and entered the municipal People's Congress Standing Committee office building compound. Some students later accepted the officials' advice and returned to their schools, but other studnets began to march along Xizang Nanjiang roads and finally gathered in front of the municipal government building. Vice Mayor Ye Gongqi and Mayor Jiang Zemin in turn met with the students and talked to them. Jiang Zemin called on the students not to do anything harmful to the interests of the state and the people, and guard against the sinister instigation of a small number of people with ulterior motives.

Early in the morning of 20 December, the municipal government sent scores of buses to carry the students back to school. Some students accepted the advice and returned to school, but others crowded some main streets in the Bund District and caused serious traffic congestion. After their futile efforts to persuade the students to make way for the traffic, policemen took action to disperse the students, but they did not arrest or assault the students at all.

On 21 December, some students from the above-mentioned universities and from the East China Institute of Chemical Engineering and the China Textile Engineering University continued to hold demonstrations for several hours. According to rough estimates, more than 10,000 students participated in these demonstrations.

As this reporter learned, only a small number of Shanghai's over 50 universities and colleges participated in rallies and processions. Some students in the demonstration ranks said that they had not participated in any demonstration before, and they now wanted to taste the excitement of such action.

The serious traffic congestion caused by the demonstrations affected residents' normal lives over the past few days. A lot of residents were resentful of the students' action. Some elderly people said: The practice of the "Cultural Revolution" must not be repeated. Some university professors hoped that the students would pay more attention to their studies.

When dealing with this event, leaders of the Shanghai municipal government, adhered constantly to the principle of dialogue. They affirmed the students' enthusiasm for reform, and called for all people in Shanghai, including the university students, to cherish the united and stable situation which had not come easily. As for the rumor about the arrest of some students during this demonstration, the spokesman for the Shanghai municipal government flatly denied this.

SHANGHAI NORMAL AFTER BAN ON DEMONSTRATIONS

HK230710 Hong Kong AFP in English 0646 GMT 23 Dec 86

[Text] Shanghai, Dec 23 (AFP) -- Life returned to normal in China's biggest city Tuesday, as a government ban on demonstrations nipped four days of student-led protests for more freedom and democracy.

Traffic flowed smoothly in front of Communist Party headquarters along the riverfront Bund and at nearby People's Square, a concrete plaza where tens of thousands of students and sympathizers had demonstrated.

Toppled street railings and damaged trees and shrubs were among the few signs of the massive gatherings which had begun Friday.

Small groups were seen quietly reading announcements by city officials and the Public Security Bureau -- China's police force -- banning public demonstrations without a police permit.

The posters also said that all citizens should act in the interests of unity and stability.

When asked by Western reporters about the de facto ban on demonstrations, some Shanghai residents tended to answer in clipped sentences, saying it was not unreasonable. Others feared being overheard.

The last burst of protest appeared to have been Tuesday at around 3 a.m. (1900 GMT Monday) in People's Square, where a crowd occasionally broke into song and cheers. Police were not visible and the crowd dispersed before dawn.

Student activists said street protests were being abandoned following government allegations that cars had been overturned and women assaulted on Sunday night -- suggesting the movement was swinging out of control.

"There are a lot of hoodlums in Shanghai, people who want to stir up trouble. The students are rethinking their strategy," one activist said.

Calls for a university class boycott went largely unheeded Monday and Tuesday, and some students expressed fears of future retributions, such as job assignments in remote corners of China.

"People are frightened now. They don't dare do any more," one source said. "But the issues haven't been solved yet."

Students Return to Classes

OW230320 Shanghai City Service in Mandarin 0100 GMT 23 Dec 86

[Consolidated report by station reporters]

[Text] Students of Fudan University, Shanghai Jiaotong University, Tongji University, China Textile University, and Huadong Teachers University attended classes as usual yesterday. A student working at the bookstore of Fudan University promptly reprinted a copy of the municipal government spokesman's interview with reporters and posted it at a prominent place on campus, attracting many students.

In self-reflection, some students said: We did not expect our street demonstrations would affect production and obstruct traffic, thus giving an opportunity for people with ulterior motives. This is contradictory to the purpose of our demands for reform. These students hoped that their opinions would be reported to the municipal party committee and the municipal government through lawful means.

Some students of Jiaotong University pledged to hold themselves responsible to society and not stage demonstrations and strikes again. The university campus was quiet yesterday.

Over 100 students of the 1983 class of the department of machinery and the 1984 class of the Department of Business Administration of China Textile University sat for final examinations as scheduled. No one was absent.

Many university teachers in Shanghai urged the demonstrating students to cherish the current excellent situation and safeguard political stability and unity by studying diligently at school. Professor (Liu Bonian), honorary president of Huadong Teachers University, said: The students' enthusiasm in demanding the acceleration of reform is good, and their concern for state affairs should be affirmed. However, in exercising their constitutional rights, the students should not forget their obligations; that is, they must abide by the constitution and relevant laws and regulations and must not affect social production and public order. Professor (Yan Shaozhong) of Fudan University Mathematics Department said: In view of our urgent need for a number of young scientists to accelerate the development of China's scientific undertakings, it is imperative to make the best use of time on study. As reform is self-perfection of the socialist system, the party and the government are taking measures to solve, step by step, problems and difficulties arising in reform and construction.

A few days ago, (Zhu Muhua), (Yang You), and 30 other professors of Shanghai Jiaotong University issued a joint appeal to their students calling on them to take into account the overall situation and promote the reform and revitalize the motherland with concrete actions of safeguarding stability and unity. Professors (Shi Chenghua) and (Qian Peijun) and Associate Professor (Zheng Yousheng) of Shanghai Finance and Economics University voluntarily conducted ideological work among the students to urge them to concentrate on study.

'Thousands' Remain After Rally

HK230207 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 86 p 1

[By Lulu Yu]

[Text] Thousands of curious passers-by lingered on in the People's Square last night long after those with the cause had left.

The students had dispersed hours ago and there were no major banners in sight, just one small one that declared "Freedom of Speech".

Idle crowds continued to rove around the square, surrounding anyone who looked like he was about to make a speech.

The pedestrians' flyover just outside the square -- a vantage point for observers -- was jammed with onlookers well into the night while scores of security officers tried in vain to clear the road for the traffic.

The lamps of the square went out at 10 o'clock but the loudspeaker continued to blare out with a woman's voice asking students to abide by the law in submitting details before they move on to the streets.

Suddenly a loud noise was heard coming from the main road where policemen stood. Apparently an incident had occurred. The crowd moved as one towards the scene.

The police had grabbed a man. But it was hardly of interest, just a thief being dragged away to answer for crimes at the nearby public security office.

Only a few were aware of what had happened and the rest squeezed their way towards the office anyway, booing and whistling, and breaking into laughter.

Such was the mood of the Shanghai masses who had been so aroused by what had passed in the past few days.

"We are anxious for more action," said a secondary school student. "It had been a very exciting and anxious few days."

POST VIEWS SHANGHAI STUDENT DEMONSTRATIONS

HK230309 Hong Kong SOUTH CHINA MORNING POST in English 23 Dec 86 p 1

[Text] The Shanghai student demonstrations that have rocked China's largest city since Friday began to ease yesterday after the Government issued stern warnings that further rallies without police permits would not be allowed.

Hundreds of students gathered in People's Square in the city centre again and one group pushed through police lines for a march to City Hall.

But the demonstrators were small in number and disorganized compared with the tens of thousands who rallied over the weekend in the largest spontaneous demonstrations in China in a decade.

As darkness fell, about 500 people were left huddling in the square, but police cordons had been removed and only a few police remained to watch the students.

Students said all schools received notices yesterday that further demonstrations would not be allowed without police permission.

Loudspeakers broadcasting from the People's Congress building on the square delivered a similar message.

It was not known if the one group of marchers, numbering about 300, had received a permit for its walk down Nanjing road, the city's best-known shopping avenue, to City Hall and back. Police made no obvious effort to halt them.

The students were far out-numbered by 10,000 to 15,000 spectators who jammed the pavements and overhead bridges for a look at the rare protests. Shanghai, with a population of more than 12 million, is a densely crowded city and the city centre is always packed.

Yesterday the party's Central Committee issued an internal circular on the Shanghai demonstration after an emergency meeting in Beijing's City Hall, the POST's Beijing correspondent reported.

The circular described the three days of protest in Shanghai and discussed measures to prevent possible similar outbreaks of public dissent in the capital.

According to a source who read the circular, the document also disclosed that 20,000 workers at the Loyang tractor factory in Henan Province had gone on strike for two days late last week protesting against low wages.

The workers had returned to work without apparently obtaining any wage increases.

The circular did not draw any specific connection between the strike and the student demonstrations.

Beijing universities remained quiet yesterday but a source at Beida said there was definitely "tension in the air".

Shanghai's media broke their silence about the demonstrations yesterday to chastise students for disrupting the life of the city and warning of "reactionaries" among them who were taking advantage of the chaos.

In Sunday's march, many marched behind banners of Shanghai University, Shanghai Drama Institute and Shanghai Arts Institute.

Students said their companions from Jiaotong and Fudan Universities, who led the weekend demonstrations, had their banners confiscated and were under tight surveillance as they tried to leave their campuses.

Large posters printed by the city authorities and the Public Security Bureau appeared throughout the city warning that bad elements had infiltrated the student movement and were disrupting production.

Observers said the protest movement seemed to be floundering in part because of a lack of clear leadership and poor co-ordination between the students and the tens of thousands of workers who had massed to support them in the past three days.

One observer estimated that Sunday's biggest turnout had involved 30,000 students and 40,000 workers and residents.

The students, while welcoming expressions of support from these "masses", seemed unable to turn it to their own advantage.

As tension in the crowd grew some of the students were even heard to tell the workers to get on with their work and leave the students to handle the protest on their own.

The city party committee apparently had instructed all work units to help keep workers off the streets.

Students said some young professors had encouraged them in their activities. They said small groups of students from Beijing and Hefei had arrived in Shanghai to join the protests, although they did not expect large numbers from outside because college exams begin soon.

The students said they were inspired by speeches of the vice-president of Hefei Science and Technology University, Mr Fan Lizhi, who has been an outspoken proponent of democratic reform.

He supported student demands for more participation in local elections following student demonstrations there earlier this month.

Some students at Jiaotong University, the first campus to launch the protests, told reporters that the planned to boycott classes in a fresh step in their democracy campaign.

And posters went up in the prestigious Zhongshan (Dr Sun Yat-sen) University campus yesterday with some drumming up support for the Shanghai protests and others calling for stability and solidarity.

The unsigned posters were pasted on the wall of student dormitories.

Declared one: "We will never give up if our fight for democracy is not known to the public."

Said another: "Let's continue the December 20 (in Shanghai) protests until the end."

But one declared: "Let's face the problem positively...do away with empty old slogans...cherish the stable and unified situation we have now."

The spacious campus in Guangzhou's southern suburbs was calm yesterday after a weekend student demonstration that saw more than 1,000 young people taking to the streets protesting at the lack of democracy and liberty, and dissatisfation over bureaucracy and selection of delegates to the National People's Congress.

Last night, 13,000 students at Zhongshan were either busy preparing for the approaching examinaton, taking a night stroll and attending a joint campus gathering, or celebrating the winter solstice festival with families.

"Classes are normal after the protests," a student told the SOUTH CHINA MORNING POST.

"Most of us feel that we have gone too far. It does not do any good to the overall development (political and economic reforms)."

Another student said no one had been punished at the moment: "Our school is more open-minded. Students have got access to democratic development in other places such as Hong Kong."

A reliable Shanghai student source said a systematic appeal to fellow Chinese students to support the campaign had begun, with students writing letters, making long-distance telephone calls and asking travellers at railway stations to spread their message.

A Western reporter saw a small group from Qinghua University in Beijing which has so far remained untouched by demonstrations, walking arm-in-arm with Jiaotong students in Shanghai as police looked on.

The Shanghai marches have been the largest political demonstrations in China since the closing days of the Cultural Revolution 10 years ago.

The demonstrations generally have been peaceful, although the two sides have exchanged accusations, with students claiming 200 people were detained on Friday and up to 40 beaten by police on Saturday.

Authorities have said that 31 police were assaulted and the People's Congress building was stormed last Friday.

All such accusations have been denied by the other side.

The first real sign that official tolerance for the demonstrations had reached its limits came early yesterday when the state-run NEW CHINA NEWS AGENCY came out with a sharp criticism.

It said a small number of students were committing "illegal actions" that "will affect social stability and unity, affect the progress of the country's modernization program and affect students' study".

It said some people, including those writing inflammatory and illegal "big character" posters, were "taking advantage of the patriotic zeal of the students and their longings for democracy and freedom".

An announcement by Shanghai's mayor, Mr Jiang Zemin, said cars had been overturned and women assaulted during a protest march on Sunday.

The official statement gave no details but residents talked of two mini-buses having been overturned and two women assaulted on Nanjing Road, the city's main thoroughfare.

Small crowds of students were seen gathered around two noticeboards carrying announcements by Mr Jiang, University President Mr Ong Shili and the university Communist Party secretary calling on students to cease protests and return to classes.

Mr. Jiang, in what appeared to be a reply to student demands, said the vast majority of students were geninuely concerned about democracy.

An open letter posted up expressed the disappointment of those that had joined in the movement.

Said two couplets of poetry at the end: "The masses have yet to awake, we walk forward alone, like orphans into a den of wolves, when we die there will be no burial place for us."

Students denied press statements linking their democracy movement to the 1966-76 Cultural Revolution.

"This is a completely different spirit from the Cultural Revolution," said one student.

"Then the orders came from the top and went to the bottom levels. But this time the initiative came from the bottom."

23D STANDING COMMITTEE MEETING OPENS IN SHANDONG

SK210332 Jinan Shandong Provincial Service in Mandarin 2300 GMT 20 Dec 86

[Text] The 23d Standing Committee meeting of the 6th provincial People's Congress opened at Jinan's Fanjiao Guesthouse on 20 December.

The main subjects of discussion of this meeting are to study the guidelines of the eighth plenary session of the fourth provincial party committee; to hear, examine, and discuss explanations for revising the Shandong provincial detailed regulations on electing people's congresses at county and township levels, explanations of the Shandong provincial draft regulations on the management of seeds, explanations of the Shangdong provincial draft methods on the management of collectively owned town and township enterprises and individually owned mines, and explanations of the Shangdong provincial draft regulations on implementing the land management law of the PRC; to hear, examine, and discuss a report on the situation of implementing the province's 1986 budgetary plan, a report on the situation of implementing the trademark law of the PRC, a report on the province's situation in trying economic cases, and a report on the situation in which procuratorial organs inspected the implementation of the law and discipline; and to decide items of personnel appointments and dismissals.

Li Zhen, chairman of the provincial People's Congress Standing Committee, presided over the plenary session held on the morning of 20 December.

After the plenary session, members studied and discussed the guidelines of the eighth plenary session of the fourth provincial party committee. [passage omitted]

Attending the meeting were vice chairmen of the provincial People's Congress Standing Committee, including Xiao Han, Xu Leijian, Gao Fengwu, Zhang Zhusheng, Lin Ping, Lu Hong, Xu Sen, and Yang Qingqing. Attending the meeting as observers were Tan Qinglian, vice governor of the province; Han Bangju, president of the provincial Higher People's Court; and Zang Kun, chief procurator of the provincial People's Procuratorate.

STUDENT DEMONSTRATION IN ZHEJIANG REPORTED

HK230144 Hong Kong TA KUNG PAO in Chinese 23 Dec 86 p 2

["Special Dispatch from Beijing": "Several Thousand Students Hold Demonstration in Hangzhou, Traffic is Blocked"]

[Text] It is learned by this reporter by long-distance telephone that yesterday several thousand univesity students held a street demonstration shouting slogans like "We want democracy and freedom" and so on, resulting in the obstruction of traffic in Hangzhou. The demonstration continued until midnight.

Today, several thousand students surged toward the railroad station, trying to go to Shanghai and meet the student marchers there. In order to maintain the normal transportation of the railroad station, the local police at once stepped up to persuade and obstruct them. According to the source of information, there was no major conflict between the two sides.

XIZANG GOVERNOR OUTLINES WORK TASKS FOR 1987

HK220611 Lhasa Xizang Regional Service in Mandarin 0100 GMT 22 Dec 86

[Excerpts] On 20 December, Doje Cering, deputy secretary of the regional party committee and chairman of the regional people's government, delivered a report at the converence on structural reform and replacing old leadership groups by new in the provincial organs, entitled: "Review of Work in 1986 and the Basic Tasks for 1987." We now broadcast part two of the report: The basic tasks for 1987. [passage omitted]

He said: The guiding idea on economic work next year is to act in accordance with the central instructions on economic work in Xizang, continue to carry out reforms, opening up, and invigoration, take agriculture and animal husbandry as the basis, tourism as the center, and education, energy, and communications as the focal points, and lay the foundation for developing commodity economy.

The region's agriculture and animal husbandry are facing a problem of reviving and developing. The party committees and people's government at all levels must take effective steps, strengthen leadership, carry out reforms in depth, and speed upo the conversion of the economy in the agricultural and pastoral areas into commidity economy, to achieve new development in agricultural production and a relatively great improvement in the masses' living standards. The prefectures and counties, and the departments concerned must attach great importance to the role of science and technology in agriculture and animal husbandry. [passage omitted]

Doje Cering said: We must unswervingly regard developing tourism as the center of the region's economic work. We must continue to implement the priniciple of laying the foundation, creating conditions, carrying out vigorous development, and making steady progress, and the guidelines of having the state, the collective, and the individual all getting to work together. We must do everything possible to speed the development of tourish. [passage omitted]

The region's foreign economic relations and trade work should show further development in 1987. We must grasp the cardinal links in this work, make friends in a big way, expand the commodity markets, promote export and import agency business with their interior, and take advantage of our entry and exit points.

To ensure a certain reserve strength for the region's social and economic development, we must step uo energy and communications construction. In energy construction, we fmust focus on hydroelectricity [words indistinct], and simultaneously exploit resources and practice economy. We must do a good job in building up the Lhasa power grid, expand the (Yangbajing) geothermal power station and (Daxing) thermal power station, and continue the construction of (Pingcuo) power station. We must get a good grasp of building the Linzhi, (Langjiu), (Shaagong), and (Yizu) power stations, and carry out energy construction feasibility studies in Nagqu and Xigatse.

In communications construction, the focus must be on maintenance of the Qinghai-Xizang highway and on completing the improvements of the (Zhongyi) and (Heichang) highways.

In industry and communications, we must take reforms as the motive force, invigorate the enterprises, improve economic results, and fulfill the year's production tasks.

Doje Cering said: Although Xizang has taken a key step forward in structural reform, the task remains very arduous. We must strengthen leadership and do the work in a positive and steady way. Next year, the regional departments, commissions, and bureaus should focus on structural reform and leadership group appointments in their sections and offices. At the same time, we must consolidate the frutis of reform, perfect the rules and regulations, and have a clear picture of the scope of our responsibilities and duties. We must grasp grass-roots political power building as a major affair.

Doje Cering said: A long-term historical task for us is to do a good job of united front, nationalities, and religion work. The party committees at all levels must put this in an important place on their agenda and further enhance (?understanding) on making a success of this work. We must formulate corresponding systems and measures for regularly reporting on the situation to patriotic and united front figures, so as to expand people's vision and discuss our major schemes with them. We should boldly promote and employ non-party middle-aged and young people with ability and political integrity. We should make proper arrangements for the older generation of non-party figures and continue to bring their role into play.

In nationalities work, we must seriously implement the law on autonomy of minority-nationality regions. All areas and units must spend some time between the spring festival and the Tibetan new year in conducting education in the nationalities policies and in the idea that Hans and Tibetans cannot be without each other. We must seriously check on the problems in nationality relations and in implementing the party's nationality policy, and formulate effective measures to resolve them.

We must respect the customs of minority nationalities. We must continue to attach importance to training, promoting, and employing minority-nationality cadres and science and technology personnel.

We must respect and protect freedom of religious belief and also respect and protect the freedom those masses who do not have religious belief. We should create a political atmosphere of relaxation, concord, stability, and unity.

Comrade Doje Cering also gave important explanations on building spiritual civilization and on work methods. He said: The guiding idea in building spiritual civilization in Xizang is: To base the work on local realities, take Marxism as our guide, meet the needs of economic construction and of all-round reform and opening up, and conduct education at many levels and in many forms in nationality solidarity and in developing commodity economy; to show great respect for science; to actively develop nationality customs; to fully express the spirit of the age; to strive to satisfy the cultural and spiritual needs of the people of Xizang; to cultivate citizens with four qualiities, and to improve the ideological and ethical qualities and scientific and cultural qualities of the people of Xizang; to enhance nationality self-respect, self-confidence, and self-pride; to develop new-style nationality relations, and to build a united, affluent, and civilized new Xizang. [passage omitted]

BEIJING MAJOR DENIES STUDENT DEMONSTRATIONS

HK221519 Hong Kong ZHONGGUO TONXUN SHE in Chinese 1331 GMT 22 Dec 86

["Chen Xitong Says There Are No Student Demonstrations in Beijing and the Situation There Is Stable" -- ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 22 Dec (ZHONGGUO TONGXUN SHE) -- Today, Chen Xitong, the major of Beijing, said there is not any student demonstration in Beijing and the situation here is stable.

He said this at a New Year reception for the foreign correspondents in Beijing and the Beijing press circles. The reception was attended by a total of over 20 foreign news organizations in Beijing. Major Chen Xitong as well as the vice mayors, Han Boping, Sun Fuling, Chen Haosu, and so on seemed very calm and relaxed tonight.

Holding a wine glass in his hand, Mayor Chen Xitong walked around the reception hall, proposing toasts to the foreign correspondents and answering the questions of the correspondents from time to time. While answering a question raised by correspondents of ASAHI SHIMBUN, Chen Xitong explicitly said, "First, there is not any demonstration staged by univesity students in Beijing. Second, the Beijing municipal government and residents do not like to have demonstrations either, because this is not favorable to the stability and unity and the four modernizations drive." Smilingly, he told the Japanese reporter that "I think that you would not like to have demonstrations either, as it would disturb the trade between you and us."

The Japanese reporter asked, "Do you understand the demands of the university students?"

Mayor Chen said that "I know all their demands. They want democracy and freedom, which were both put forward by the Communist Party and are needed by the reform. What we proposed is more specific than what they propose. It is our unswerving principle to expand and bring into place democracy."

The Japanese reporter asked, "Did you go to Beijing University and talk to the students there?"

Mayor Chen answered, "I have not yet visited there. This is because I do not need to go there, the situation in Beijing University is stable, and the university students are good. They care about the politics as well as the reform. It is just that their wording is a little bit extreme. If we guide them, they can make very good contributions to the four modernizations. The students are not our enemy but our descendants."

A reporter of the ASSOCIATED PRESS asked, "If student demonstrations happened in Beijing, would they be banned?"

Chen Xitong said, "If it happened, we would let it happen. According to the Constitution, citizens have the freedom to stage demonstrations. Nevertheless, most of the students do not favor staging demonstrations, in particular the big-character-type mass democracy which made people suffer a lot during the 'Cultural Revolution' and still remains fresh in people's memory. Of course, even if a student demonstration did happen, we would absolutely not put them into jail."

QINGHUA UNIVERSITY STUDENTS PUT UP POSTERS

OW231159 Tokyo KYODO in English 1152 GMT 23 Dec 86

[Text] Beijing, Dec. 23 KYODO -- Students demonstrating for more democracy in China started putting up wall posters Tuesday at Qinghua University, a well-known institution of higher learning in this Chinese capital along with Beijing University. Some of the posters were apparently meant to protest an editorial carried by the PEOPLE'S DAILY the same day calling for political unity.

A copy of the editorial was also put up on the wall with a question written in large characters in red ink: "Is China's news reporting system playing its due role?" The anonymous questionerfurther asked, "Why does XINHUA (NEW CHINA NEWS AGENCY) not report on demonstrations at Jiaotong (Transportation) University and Science and Technology University?"

One of the posters, which called itself a "small newspaper" demanded swift political reform in China, saying that the "excessively passive nature" of the Chinese people was responsible for inviting foreign invasion like that in 1860 when the burning of the Yuan Ming Yuan Summer Palace occurred, a reference to an incident in which an extensive palace complex was destroyed by the British during the Second Opium War. Another wall poster said that Qinghua University students should not enjoy good sleep while students in Shanghai demonstrating for more political democracy and freedom were being beaten by police.

Still another poster quoted a U.S. Voice of America broadcast as saying that 7,000 policemen were mobilized when as many as 50,000 students in Shanghai took to th streets in demonstrations for three days in a row, resulting in the arrest of 200 students.

TIANJIN ACCEPTS STUDENT-NOMINATED CANDIDATES

HK230448 Hong Kong AFP in English 0443 GMT 23 Dec 86

[Text] Beijing, Dec 23 (AFP) -- Posters appeared Tuesday in northeastern Tianjin City, announcing "a first step towards democracy," as authorities accepted student-named candidates for local elections, foreign students reported.

The development followed student protests here last week after local authorities attempted to impose their own slate of student candidates for local elections, the students said. The protests were among a series which have touched about 10 Chinese cities since December 9, most recently Shanghai. One foreign student, interviewed by telephone, said Tianjin authorities decided to back down and accept student-nominated candidates amidst growing student allegations that their procedure was "illegal."

"This is a first step towards democracy," read one "dazibao," or large-character wall poster, at Nankai University. "It's a beginning, but when will these methods end?" asked another poster.. A third called upon officials in Tianjin, an industrial city of eight million, to allow male students to enter female dormitories in universities.

Such "dazibaos" have been up in Tianjin for several days, following a period during which several posters were ripped down nightly, the foreign student said. Wall posters have been banned in China since 1980.

HEILONGJIANG PROVINCIAL PEOPLE'S CONGRESS MEETS

SK220420 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 20 Dec 86

[Text] The 25th Standing Committee meeting of the 6th Heilongjiang Provincial People's Congress opened in Harbin today. Li Jianbai, chairman of the provincial People's Congress Standing Committee, presided over the meeting. The meeting participants adopted 13 items on the agenda of the meeting, heard an explanation by (Kang Yufu), deputy director of the provincial Economic Office of the provincial People's Congress Standing Committee, on the revised draft Heilongjiang provincial labor safety regulations; an explanation by (Gao Xiaopo), deputy director of the Political and Legal Office of the provincial People's Congress Standing Committee, on the revised draft Heilongjiang provincial regulations of punishment for gambling; a report by (Cui Jia), deputy director of the provincial Department of Agriculture, Animal Husbandry, and Fisheries, on the implementation of the Heilongjiang provincial regulations on managing crop seeds; and a report by Zhang Li, president of the provincial Higher People's Court, on preparations for implementing the general principles of civil code.

On the afternoon of 20 December, the committee members studied in groups the resolution of the CPC Central Committee on the guiding principles for building a socialist spiritual civilization.

Chen Yuanzhi, Lu Guang, Wang Jinling, Wang Pili, Wang Zahozhi, Wang Jun, and Zhang Ruoxian, vice chairmen of the provincial People's Congress Standing Committee, attended the meeting. Wang Lianzheng, vice governor; Zhang Li, president of the provincial Higher People's Court; and Jia Chengwen, chief procuratorate of the provincial People's Procuratorate; attended the meeting as observers.

HEILONGJIANG SECRETARY SUN WEIBEN INTERVIEWED

SK222225 Shenyang DONGBEI JINGJI BAO in Chinese No 106, 9 Dec 86 p 4

[Report on DONGBEI JINGJI BAO reporter Li Weichun's interview with Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee -- date, place of interview not given]

[Text] "Reform and the development of cultural undertakings are very important to strengthening the building of socialist spiritual civilization." Sun Weiben, secretary of the Heilongjiang provincial party committee, came straight to the point to express his concern for cultural undertakings during an interview with a reporter.

He talked cheerfully and humorously with the reporter about his consideration of the present situation and prospects of the province's cultural work. He said: "With a total population of 33 million people, the big province of Heilongjinag on the northern border has very rich resources for building material civilization. However, its cultural undertakings are rather backward. During the time of an economic leap, the cultural-psychological structure of the people has undergone a big change. They seek new and aesthetic things and demand a multilayered cultural life, giving a new challenge to our work." He gave an example and stressed: We should strive to change the situation in which foreign television dramas have occupied our screens. We should unite with and mobilize the literary and art workers to create more good artistic works which the people love to see and hear, and use them to occupy and invigorate our literary and art circles."

"Heilongjiang has longstanding revolutionary traditions in the literary and art circles." He pointed out: Since the anti-Japanese war, this fertile land on the northern border of the motherland has fostered a number of noted writers, such as Jin Jianxiao, Xiao Jun, and Xiao Hong. [paragraph continues]

He said emotionally: "It is a pity that many of our competent personnel in the natural science cirles are unknown domestically. Many of them were acknowledged by the people at home only when they went abroad, gave full play to their talents, scored achievements abroad, and returned home. This situation is abnormal. Such cases also exist in the literary and art circles. Take the television drama 'Night in Harbin', as an example. The setting of the play is in our province. Chen Yu, the writer of the play, was also brought up in the fertile land of Heilongjiang. However, this television drama series was shot successfully by another provincial television station, and the writer also moved to Anshan. When did a gifted person of Heilongjiang move away and settle down in another province? This is worthy of our self-critcism. We should give the literary and art workers warm support and love."

While touching on this, he said thoughtfully and firmly: "Our province should foster a number of influential writers and artists. During the Seventh 5-Year Plan, we should produce several good works embodying the spirit of the times and the distinctive expressions of the nothern frontier." The measures he listed were to extensively carry out mass cultural activities, discover competent personnel, and train them through the joint efforts of experts and the masses. Furthermore, it is necessary to gradually collect funds to unceasingly improve the conditions for the literary and art workers. He told the reporter: The provincial party committee and government have decide to issue "awards for major constributions" annually to various branches of learning in the social science field and to select a group of outstanding writers. In conclusion, he said earnestly: "Our party's leading comrades at all levels should respect knowledge and talent personnel, show warm concern for the broad masses of literary and art workers, and create a relaxed environment for them. Let the spring breeze of reform usher in a new era in which flowers blossom in a riot of color!"

SUN WEIBEN ADDRESSES HEILONGJIANG WORK CONFERENCE

SK2[illegible]9514 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 19 Dec 86

[Text] The work conference sponsored by the Heilongjiang Provincial CPC Committee concluded on 19 December. During the 2-day conference, the participating comrades concentrated on discussing how to strengthen the party's leadership over the work of the People's Congress and how to bring into full play the role of local organs of state political power.

During the conference, Sun Weiben, secretary of the provincial party committee, delivered a speech entitled "Strengthen the Party's Leadership Over the Work of the People's Congress To Promote the Improvement of Socialist Democratic Politics". Comrades Li Jianbai and Hou Jie also delivered speeches on bringing into full play the role of local organs of state political power by depending on the party's leadership, enhancing the concept of nationalities and legal systems, and doing a good job in conducting governmental work.

The conference held that since the founding of the People's Congresses at all levels, their organs have gradually become sound and the People's Congresses have played an ever-increasing role in earnestly exercising the power imposed by the Constitution and the Organic Law for Local Congresses and Governments, in developing democracy and improving the legal systems in accelerating the province's pace of building the two civilizations, and in conducting reforms in various systems.

The conference pointed out: The party committees at all levels should improve our enhance the party's leadership over the work of the people's congresses, strengthen the building of the people's congresses, strengthen the building of the People's Congress Standing Committees at all levels, and support the People's Congresses to exercise their power in line with the law so as to bring into full play the role of the organs of state political power. Efforts should be made to support the people's congresses and their standing committees to exercise their duty and power in line with the law and attack importance to the duty and power of the people's congresses and the governments so as to bring into full play the role of organs of state political power. The party committees at all levesl should be good at using the existing situation in the country to turn the party's purpose into the guiding principles for the people's act through the implementation conducted by the state apparatus. The party committees at all levels and their leading cadres should do things truly in line with the law and gradually orient their activities in the economy, politics, culture, and science and technology on the track of legal systems, so that we can run our country and province in line with the law.

SUN WEIBEN ATTENDS HEILONGJIANG PLANT CEREMONY

SK200521 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 19 Dec 86

[Excerpts] On 19 December the Harbin No 3 power plant successfully concluded its trial operation of the first 200,000-kilowatt generating set, which drew great attention from people throughout the province. The plant prefulfilled its plan for putting the generating set into trial production within a year. Since being put into production, strong electric current has begun to flow into the northeast grid so that he province's strained situation in power supply will be somewhat relieved.

According to a report by the department concerned, the Harbin No 3 power plant has brought about more than 200 million yuan in economic results to the state by prefulfilling its plan within a year of putting its first generating set into production. The large project of building the thermopower plant located in Hulan County with the designed capacity of 1.6 million kilowatt has been jointly carried out by the state and the province, and will be completely built in two stages. The construction of the first generating set began in June of 1984, which was planned to be put into production at the end of 1987. [passage omitted]

On the morning of 19 December, the principle leading comrades of the provincial and Harbin City organs, including Sun Weiben, Chen Lei, Hou Jie, and gong Benyan, took a special trip to the plant to cut the ribbon to open the first generating set.

LIAONING SECRETARY DEFINES 1987 WORK TASKS

SK210220 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 20 Dec 86

[Text] At the first plenary meeting of the Third Enlarged Plenary Session of the Sixth Liaoning Provincial CPC Committee on the morning of 20 December, on behalf of the provincial party committee Standing Committee, Quan Shuren, secretary of the provincial party committee, summed up this year and defined the major work tasks for 1987.

Quan Shuren said: Over the past year, the provincial party committee has concentratively grasped five such great matters as the reform and open work, grass-roots party style, building of leading bodies, and implementation of economic development targets; and has made great achievements in this.

However, some serious problems still exist. The province has lagged behind the advanced provinces and municipalities in terms of the pace of economic development. The province's steps for reform were not expanded and its economic results were not sufficiently ideal. The province failed to clearly define the principles of spiritual civilization for guiding practical work, or to enhance political and ideological work. Tendencies to carry out formalism and dual-layer practices still exist in some fields. Although improvements have been made in party style and social practices, the masses still have complaints of some cadres abusing power for selfish ends, the unhealthy practices of trades, and leading organs' serious buraucratic ways of doing things. We must conscientiously solve these problems over the coming new year.

Concerning the work arrangements for 1987, Quan Shuren said: We should mobilize and organize party organizations at all levels, the vast number of party-member cadres, and people of all nationalities throughout the province to work in line with the overall program of socialist modernization as set in the resolution and the requirements put forward in the Seventh 5-Year Plan; to carry forward the spirit of blazing new trails, doing solid work, and going all out to make progress; to firmly foster the idea of a commodity economy; to vigorously promote the development of reform and open work; to pay special attention to making new breakthroughs in enlivening large and medium-sized enterprises and accelerating the work of opening Liaodong peninsula to the outside world to promote the development of the eastern, western and northern parts of Liaoning Province; to further enliven the economy and accelerate the pace of conducting the technological transformation of old enterprises; to speed the development pace on the premise of ensuring increases in economic results; to solidly achieve the building of spiritual civilization and the self-construction of the party; to improve the leadership level, leadership style, and work in all fields; and to strive to score outstanding achievements to welcome the convocation of the 13th Party Congress.

Quan Shuren states that we should grasp the following few tasks over the next year:

First, we should accelerate the pace of reform and open work to promote sustained and smooth progress in the province's economic work.

Second, we should conscientiously implement the resolution of the 6th Plenary Session of the 12th CPC Central Committee to solidly attend to building a spiritual civilization.

Third, we should accomplish the tasks of party rectification from beginning to the end, strengthen the construction of grass-roots party organizations and the work of rectifying party style.

Fourth, we should improve leadership work and upgrade the democratic and scientific levels of policy decisions.

Quan Shuren set forth many specific opinions on the above-mentioned issues.

The meeting will concentrate 2 1/2 days on discussing Quan Shuren's report in groups.

PRC-TAIWAN UNOFFICIAL CONTACTS IMPROVING

HK180313 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1015 GMT 6 Dec 86

[Roundup: "Contacts Between the People on Both Sides of the Taiwan Straits Gradually Become More Frequent"]

[Text] Taiwan departments concerned recently published the names of 62 Hong Kong companies and publicly prohibited Taiwan businessmen from trading with them to prevent Taiwan products from entering Mainland China. Quite a few outsiders thus believe that the Taiwan authorities seemed to have changed their attitude toward indirect trade which has existed for years between the two sides of the Taiwan Straits, and would thoroughly prohibit indirect trade, instead of turning a blind eye to it.

However, insiders point out that these 62 Hong Kong companies are mostly trading organizations sent by Mainland China or companies with capital from China, and that the Taiwan businessmen engaged in indirect trade seldom had direct contact with them. That the Taiwan authorities listed these companies as "ones not to have contacts with" was only a trick. In fact, this trick amounts to giving permission to Taiwan manufacturers to continue their business with other companies not included on the "black list."

In fact, in addition to indirect trade, contacts between both sides of the Taiwan Straits in other economic, cultural, sports, and academic fields have become more frequent and profound.

The 2 week talks and contracts between civil aviation authorities representatives from both sides of the Taiwan Straits this year in Hong Kong, on the settlement of the CAL [China Air Lines] airliner incident are memorable. The spirit of mutual understanding, accomodation, and cooperation displayed by the two sides in the talks has laid a good foundation for making more extensive contacts in the future, and has set a good precedent.

Since the CAL airliner incident, contacts and visits between people on both sides of the Taiwan Straits have become more frequent and public. For example, in the Asian games, held in Seoul this year, after the restoration of Taiwan's Asian Olympic Association membership, deputies from both sides of the Taiwan Straits attended the same conference and shook hands warmly extending congratulations to each other. After the Asian games, some sports reporters from Mainland China went back to Beijing from Seoul by plane, with a stopover in Taibei. At Taibei Airport they were entertained with a hospitality which deeply impressed them.

In addition, contacts between people in sports circles are no longer confined to international sports competitions. In late October, at a gathering of Chinese chess players staged by the Hong Kong Weiqi Chess Circle in honor of Mr Wu Qingyuan, the famous Weiqi sage now residing in Japan, chess players from the mainland and Taiwan met happily and had cordial conversations.

In mid-November, two biographic films produced by Mainland China and Taiwan, namely, "Dr Sun Yat-sen" and "The Founder of the Republic Story" were shown simultaneously in Hong Kong. On meeting each other, the directors of the two films commented frankly on the other party's film and the two leading actor's congratulated one another on their successful performances, thus opening up a new situation for people in film and artistic circles to make contacts.

Exchanges in other scientific, technological, and cultural circles developed more extensively. This year, many works by Taiwan writers were published on the mainland and there was a "fever of Qiong Yao novels" in some places.

In Taiwan, a selection of novels by contemporary mainland writers was published for the first time, and there was a "fever of A. Cheng novel". The two fevers added radiance and beauty to each other and reflected the feelings of the people in literature circles and readers on both sides who wish to know more about each other.

This year the Taiwan authorities still adhered to the policy of the "three no's", [no contact, no compromise, no negotiation] but, due to changes in the political situation inside and outside the island, and the striong desire of people on the island, and particularly due to the impact of the CAL airliner incident, the Taiwan authorities have gradually relaxed their control over contacts.

For example, they have decided not to interfere with indirect trade between the two sides and formulated the regulations of "four no's" including "no avoidance," on contacts between the people on both sides of the Taiwan Straits. They now allow overseas Chinese who have visited the minland, to visit their relatives in Taiwan and tour the island (they were not allowed to do this in the past), and do not punish Taiwan residents who visit the mainland so severely as they did in the past. According to a recent report in a Taiwan newspaper, nearly, 100,000 Taiwan residents go to the mainland every year to visit their relatives and to tour.

Nevertheless, due to restrictions in the established self-closed policy on relations between the two sides of the Taiwan Straits, these limited openings still give no consideration to people's feelings and connot meet their minimum desire and longing for their relatives and hometown. It is due to this that such reports as the Taibei mayor flatly refusing the residents' desire to display China's "national treasure" panda in Taibei Zoo, and Taiwan merchants smuggling native and local Mainland Chinese products were often seen in Taiwan newspapers. These ill-performed moves are not harmonious to the gradually imporving relations between the two sides of the Taiwan Straits today.

It is hoped that with the gradual opening of the political situaiton in Taiwan and the increasingly normal contacts between the two sides of the Taiwan Straits, these things, which are a humiliation to the Chinese and look ridiculous to foreigners, will become a thing of the past very soon.

COMMENTARY FINDS U.S. MEDIA ON IRAN SALES PUZZLING

OW161443 Taipei CNA in English 1406 GMT 16 Dec 86

[Text] Taipei, Dec. 16 (CNA) -- The following is a commentary by the Broadcasting Corporation of China (BCC) in Taipei entitled "The Iran Affair".

Normally we don't go poking our nose into the domestic affairs of other countries. But the simmering Iran arm sales affair in the United States has got us too curious to pass it up.

Basically, the case is more puzzling than anything else. Not because of its complexity -- the profits from arm sales to Iran being skimmed off and sent to the "contras" in Nicaragua -- but for the way the media is handling it and the way it impacts the American style of government.

First of all, it seems amazing to observers half way round the globe that one issue can hold the attention of the American public like so. Second, it seems strange that the media want to play the role of the hangman in this issue, going after administration officials, and even the President, as though they were nothing more than targets at a shooting gallery. It strikes us as an improper role for media to take on. Their handling of the affairs smacks of wrongful intent, as though they want heads to roll regardless of any national security concerns.

This is where the media in the Republic of China on Taiwan are quite different in their approach to news. In this country, the media see their main function as being couriers of information for the public. They don't exaggerate their role to include watchdog judiciary functions like the media in the U.S. Facts are the name of the game, not emotions. In this regard, some foreign observers mistake our responsible media for an unfree media. They think that because our media are not out to destroy a person a day that they can't be free. This view is totally foreign to Chinese on Taiwan.

The Iran affair also tickles foreign policy pundits here. The arm-chair generals in this country seem to give almost unanimous approval to what President Reagan tried to achieve in Iran. It can't hurt, they are saying, to try to cultivate moderates in that strategic Middle East country. And if Iran is still linked with terrorism, isn't it the right policy to try to change Iran by talking reaason with those who will listen? It strikes many people in the Republic of China on Taiwan as a perfectly innocuous and well-thought out policy .

It is the fuss about how the policy was carried out that seems now to be the key issue in the affair. The media in the U.S. want to know every last detail, regardless of national security issues. The Congress wants it all out on the table as well.

Pardon us, but we just don't see how American democracy can survive without a modicum of national security secrecy. A responsibloe media would accept the fact that some things are better left unsaid or unwritten for the national good. It is impossible for any nation to protect its freedom without some secrecy and without cooperation from all sectors of society to safeguard the national interest.

In hindsight, President Reagan appears to us to have made the right decision to keep the Iran arm sales secret for as long as possible. With all the fuss, we now know that a leak would have killed the project early on.

The benefits of getting hostages released and of cultivating Iranian moderates would have been lost all together. Irresponsible journalism has once again shown its ugly face, wiping out all reason in its path to selfishly feed itself.

MAINLAND CHINA STUDENT DEMONSTRATIONS VIEWED

OW222049 Taipei International Service in English 0200 GMT 22 Dec 86

[Text] The arrival in Free China of Chinese Communist naval pilot Cheng Tsai-tien comes on the heels of the week-long student demonstrations on the Chinese mainland.

At his press conference in Taipei Friday night, pilot Cheng pointed out that freedom and democracy are nonexistent. Apparently several thousand daring students back on the mainland agree with him. Demonstrations first took place in the central mainland cities of Hofei and Wuhan. In Hofei, students took to the street in a peaceful march which ended up on the steps of provincial government headquarters. The students demanded more democracy and specifically wanted a role in the selection of students' representatives in the provincial government. Foreign wire reports indicated that the police did not try to block the students and that the demonstrations ended peacefully when communist officials said they would consider the students' requests.

Words of the daring and the extremely rare demonstration in Hofei spread quickly to other central cities. Within 2 days, students in Wuhan also took to the street to demand more democracy and freedom. The protest escalated drastically when the students at Peking University got into the act. They erected posters on campus that unabashedly criticized the communist government for its undemocratic and totalitarian way. Students also formed discussion groups to air views to get their messages acrows more effectively. Wire reports indicated that the posters were torn down but no other actions were taken against the students.

The new calls for greater freedom and the introduction of democracy on the Chinese mainland recall the days of the Peking Spring with mass protests and the establishment of Democracy Wall upon which people placed posters supporting freedom of expression and democracy. The Peking Spring lasted for several months but came to an abrupt end in 1979 when the communists decided enough was enough. The founders of the Democracy Wall were jailed and the movement stopped dead in its track.

The recent demonstrations are said to be sanctioned by high-ranking communist officials who want to embarrass the opponents of Teng Hsiao-ping and his reformist policy. Expert China watchers say the fact that police have so far tolerated the demonstration indicated that someone at the top is giving a blessing to them. This person may be Teng Hsiao-ping himself as no one is more aware than he of the opposition to his policies that come from diehard Maoists in the Communist Party. But Teng is no lover of freedom and democracy himself. But he has proved his point to the leftists he will no doubt crack down on the students' protests before things go too far. What we may be witnessing on the China mainland is another one of the infamous period where a hundred flowers are permitted to bloom, after which they are cut down for growing too much.

HONG KONG

HONG KONG SAID USED AS CONDUIT FOR CONTRA AID

HK230345 Hong Kong HONGKONG STANDARD in English 23 Dec 86 p 1

[By Peter Loke]

[Text] Hong Kong has become a transshipment point for thousands of tonnes of insecticides and fertilisers to the contra rebels battling the Nicaraguan government, believed to be for use in the home manufacture of explosives.

Intelligence sources indicate that the purchases were made by "frontmen" representing various interests including the Americans and groups backing the contras.

In just under nine months of the current year, more than 10 shipments with a total value of almost $9 million had passed through Hong Kong bound for Nicaragua. This is confirmed in the published trade statistics put out by the Hong Kong Government.

It is also believed to be the first time that the contras or its supporters worldwide have used Hong Kong as a port to ship its requirements.

But few, if any, of the shipments have landed in a Nicaraguan port, according to shipping sources.

These sources said most were off-loaded in other Central American ports for shipment overland to Nicaragua.

Sources said these were indications of the growing sympathy gained by the contras from various people or groups in Asia, encouraged by the support given by the Americans.

The STANDARD was told that local exporters were given orders by a variety of individuals regarding shipping arrangements. Letters of Credit were drawn from various banking institutions in other southeast Asian countries.

Why Hong Kong? Sources said the answer was simply because the territory is a free port for the export or re-export of goods to any country in the world without any restrictions brought about by political circumstances.

The only requirement which an exporter has to abide with here in Hong Kong is a full declaration of the type of goods being exported and the country of destination. In extreme cases, certain sensitive items are barred from being re-exported to communist countries. Insecticides and fertilisers are definitely not in this category.

According to sources, Hong Kong is a favoured place for countries wishing to acquire essential goods without raising too much interest or facing embarassing situations.

In the early seventies, Taiwan importers used to purchase millions of dollars worth of herbal medicine from China through Hong Kong.

During those years, before bilateral relations took a turn for the better, Indonesia also acquired large amounts of rice from China through re-exports from the territory.

FBIS DAILY REPORT

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LIAOWANG 'YEAR-END DISCOURSE ON DISARMAMENT'

HK231513 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50, 15 Dec 86 pp 26, 27

[Article by Li Nan (2621 2809): "Year-End Discourse on Disarmament"]

[Text] As the year draws to a close, history will turn a page for next year. At this time, people always look back and review what happened in the world in the past year. Did events mean brightness or darkness? Did they bring hope to us or make us feel disappointed? But what people get is a mixed feeling as there was progress and prosperity to encourage us and wars, conflicts, hunger, and death to make us feel disheartened. All this shows that there was no peace on this small planet.

The keys to solving problems faced by man are mainly peace and development, which depend on each other for existence. The aim of pursuing peace is to promote development, and no development will be achieved without peace. The issues of peace and development influence everyone's thinking.

The issue of peace is more urgent because it involves saving humanity from catastrophe. Over the past year, voices calling for peace and disarmament could be heard in every corner of the world. The staggering amount of arms in the world was made and piled up with people's money earned by hard toil. But people must work harder for disarmament and limiting the arms race.

There must be disarmament talks in order to achieve disarmament. Over the years, series of disarmament talks could only achieve fruitless conclusions. It seems that the issue is a knotty one. The kinds of arms covered by the talks were so many that people felt confused, and the issue was so complicated that it was difficult for people to distinguish right from wrong. The talks came to a deadlock at one time but were resumed at another. Although the talks were declared unsuccessful in disarmament, they were said to have made progress in other areas. It was therefore very difficult for ordinary people to understand the issues behind the talks, even though they read the newspaper every day. Only the "disarmament experts" are familiar with the whole story of the talks and understand the crucial points. As the situation developed, they emerged and acted as think tanks for politicians. But the people who worked with the "disarmament experts" were their rivals -- the "arms experts."

Disarmament conferences and talks are an important business of the United Nations. Its General Assembly as well as the Political and Security Council discuss the disarmament issue each year. This year, they adopted 67 resolutions in connection with the disarmament issue. In 1978, the General Assembly convened the first special conference on disarmament. It will open the third special conference in 1987.

Conferences sponsored by the United Nations on disarmament also include the Geneva disarmament talks, which are held twice a year in spring and summer. Originally, the talks were alternatively chaired by the United States and the Soviet Union. Because of discontentment expressed by the participating countries, however, the talks were later chaired for a month in turn by the 40 participating countries. These countries proposed many bills and delivered numerous speeches. Quite a number of speeches gave brilliant expositions. But quite a considerable part of others were just diplomatic language that was understood and was just empty talk.

But this kind of disarmament talk at least brought us one or two advantages -- that is, to provide a forum for the participating countries. In order to avoid being the target of condemnation, the two superpowers were forced to spend much effort on the talks' preparation work.

The Stockholm disarmament conference is multilateral and participated in by 33 European countries, the United States, and Canada. Its title in full is the "European Conference on Establishing Trust and Safety Measures, and on Disarmament." It has entered the 11th round. In September this year, the conference reached an agreement that does not conform to its goal of convention; that is, the countries concerned should make notice to others before holding any large-scale military exercise and must be subject to ground and air examination.

NATO and the Warsaw Pact, the two major military groups of the world, also held talks on disarmament, which were the Central European Talks on Joint Balance and Reduction of Arms, which were also called the Vienna Disarmament Talks. Since 1973, over 400 meetings and 38 rounds of talks have been held, but none achieved any results and the talks continue.

The most significant talks are those held between the United States and the Soviet Union. The talks were first held in Helsinki, and some 120 sessions were convened. At the talks' conclusion, they signed the "U.S.-Soviet Treaty on the Limitation of Anti-Missile Defense System." The venue of the talks was moved to Geneva in November 1972. By June 1976, some 300 sessions were convened and the 2 countries eventually signed the "Second Stage Convention on the Limitation of Strategic Arms." Though the convention's 5-year effective period had already expired, the U.S. Congress still has not adopted the convention.

In 1982, the two countries reopened their talks, but declared adjournment at the end of the following year. It was not until the beginning of last year that the two countries' foreign ministers agreed on resuming the talks. In addition, they formed three groups for participating in the talks on strategic arms, the talks on medium-range nuclear arms, and the talks on space weapons.

The talks between the two countries at a higher level were between the two countries' foreign ministers and leaders. After World War II, the U.S. and Soviet leaders met 12 times. The leaders always met when talks between the two countries' foreign ministers and so on came to a deadlock, or sometimes they met in order to approve the achievements made by the talks. In October this year, Reagan and Gorbachev met at a preparatory meeting in Iceland before the convention of a formal meeting. The atmosphere was quite good at the beginning, but it eventually became an unsuccessful session.

In other words, little has been achieved though the disarmament talks have been held for several decades and in various forms. It is no wonder that people of insight are worried about the future of world peace.

Nevertheless, both the United States and the Soviet Union proposed numerous plans on disarmament, including the renowned Zero Option, plans of reducing strategic arms by stages, plans of freezing the scale at the present level before disarmament, and so on. Only a few plans became agreements, still less were implemented. The reason for this is because both countries always want to maintain and develop their own superiority while limiting and undermining the superiority of their rival. It was just as Sun Tze said: "To make your rival *soldiers yield to your pressure* without fighting is the best strategy." [paragraph continues]

It is not that the goal of gaining victory without fighting a war will be achieved if one can undermine one's rival's superiority at the disarmament talks?

This makes one remember an ironic fable in which after a period of fierce fighting, the beasts of a forest wanted to make peace. But when holding talks on reducing the weapons of fighting, both the tiger and the elephant had plans for their own advantage: The tiger suggested banning the use of the trunk as a weapon, and the elephant proposed plans of prohibiting the use of claws. While both the tiger and the elephant agreed on prohibiting the use of other weapons, they always came to a deadlock whenever discussing issues concerning these "weapons."

The fact that the change of attitude toward the U.S.-Soviet summit in Iceland in October from optimism to pessimism proves the significance of this fable. The two countries may reach agreement on matters that are not the crucial ones. But neither of them will make any compromise on the key issues. At present, "Star Wars" is an important part of the current arms race. Compared to this, other weapons like medium- and short-range missiles become a bit inferior. Time and again, Reagan said that his attitude toward the "Star Wars" issues was resolute and steadfast.

The United States started the "Star Wars" program in 1983. If the program becomes successful, it will have no decisive significance on whether the Soviet Union has several extra missiles or the United States has fewer missiles. Therefore, both parties may reach an agreementr on the number of missiles. When the talks involve the "Star Wars" program, however, the United States becomes steadfast in its position. On the other hand, the Soviet Union presses the United States hard.

In November, both parties made their stand more obvious at the Vienna conference of the U.S. and Soviet foreign ministers. The Soviet foreign minister urged the United States to give up the "Star Wars" program because the United States used it to "strive for military superiority." The U.S. Secretary of State expressed that the United States would under no circumstances give up the program because it was used to maintain a balanced situation with the Soviet Union. The secretary of state said: The Soviet Union "simply focuses on a single issue"; that is, to "weaken our strategic defense program."

It is as simple as this. In order to maintain superiority, one uses weapons that are under development in exchange for weapons of the oppositie party that have been developed. This is the root cause for being unable to make any concrete achievements or reach any agreement despite protracted U.S.-Soviet talks. After understanding this, we can therefore have a general idea about the atmosphere of the talks in future.

Last year, the Soviet Union announced nuclear tests and urged the United States to make the same response. But the United States did not agree. This is because the "Star Wars" program requires nuclear tests.

The United States has gained superiority in strategic bombers, and the Soviet Union has gained superiority in short-range missiles. Therefore, the Soviet Union suggested destruction of the former weapon, but the United States made an opposite counterproposal. As a result, nobody's proposal satisfied the other party.

At present, the focal point of the U.S.-Soviet disarmament talks, as well as the people's attention over the world, is on the competition in space. The United States has invested over U.S. $4 billion in development. According to the analysis of the International Institute for Strategic Studies in London, the development scale of the Soviet Union was similar to that of the United States. Additionally, in Europe, France proposed the "Eureka Program." It simply makes one ask when the arms race will end.

Though there are setbacks in the disarmament talks, both the United States and Soviet Union are unwilling to make the talks break down, for this causes condemnation by world opinion, as well as questions their responsibility to their people. In addition to the "war of talks," both parties are engaging in the "propaganda campaign." This is because neither country wants to be criticized by the world as a bellicose element.

Whenever the talks become unsuccessful, the following occurrs: Each puts the blame on the other party, acknowledges that there is a setback but never admits complete failure, makes new proposals and impresses people that new concessions have been made, and then leaves room for the next talks.

Since World War II, disarmament talks have been constantly held. But the amount of weapons also constantly increased and their quality keeps on being improved. After years of experience, one will easily find that the arms race and disarmament talks are just the two sides of a coin, which can easily be turned to the other side.

In the future, the disarmament talks will continue to be held. This is better than nothing, and it is better to reach agreements on some issues rather than reaching a stage of complete deadlock. It is also better to reduce some nuclear weapons rather than having them increase in number.

We must also realize that the strength of peace in the world is gaining more power. Many countries in the Third World and Europe oppose war. This year is the United Nations' Year of Peace, in which people of the world cried for peace in great strength and impetus. This is the strength of checking the arms race.

The people of the world hope that the two superpowers will take the lead in disarmament and that they will make achievements in the disarmament talks. In the year ahead, there will still be disarmament talks and the past situation will be repeated. Though the "International Year of Peace" in 1986 will pass away, the strength of peace will continue to grow and the struggle for peace will further surge.

PRC REPORTED TO ALLOW 3 NEW SOVIET CONSULATES

HK240146 Hong Kong SOUTH CHINA MORNING POST in English 24 Dec 86 p 1

[Exclusive by David Chen]

[Text] The Soviet Union, which last week reopened its consulate in Shanghai, has asked to establish four more missions in China -- including one in the sensitive northwest border city of Urumqi and another in Guangzhou.

Diplomats said yesterday the Chinese authorities had agreed to allow the Russians into Shenyang, Nanjing and Guangzhou but had grave reservations about the Urumqi request.

China is believed to have sounded out a number of countries to determine if they had any interest in opening a consulate in Urumqi. Urumqi is the capital of northwest China's Xinjiang Uygur Autonomous Region, a strategically sensitive area on the border with Siberia.

Except during the early republican days, when warlords presided over what was then a Chinese province, few foreign diplomats have been allowed in.

The Soviet Union has not had a consulate in Shanghai for more than 24 years since it withdrew consular services from China in 1962, keeping only an embassy in Beijing. Relations improved following Mr Leonid Brezhnev's Tashkent speech four years ago which extended an olive branch to China. This was followed by a stonger offer of friendship in the Vladivostok speech of Mr Mikhail Gorbachev earlier this year.

In August, at a meeting at deputy foreign ministers' level, it was agreed that consular services would be resumed and the Soviet Union would establish two consulates, one in Shanghai and the other in Harbin, the provincial capital of Heilongjiang.

Last month, China opened a consulate in Leningrad and on December 15, the Russians opened a consulate general in Shanghai, returning to their old premises -- an imposing 19th century structure on the banks of Soochow Creek and the Huangpu River near the Bund.

JILIN TRADE DELEGATION RETURNS FROM SOVIET UNION

SK180223 Changchun Jilin Provincial Service in Mandarin 1030 GMT 17 Dec 86

[Excerpt] The seven-member Jilin provincial friendly border trade delegation led by (Xu Daxu), president of the Jilin Provincial Branch of the China-Soviet Friendship Association, and deputy director of the Jilin Provincial Foreign Economic Relations and Trade Committee, satisfactorily concluded its friendly visit in the Maritime Kray of the Soviet Union, and returned to Changchun on 16 December. The delegation was invited by the Maritime Kray Branch of the Soviet-China Friendship Association to conduct a friendly business visit here. The nine-person Maritime Kray delegation, which was headed by (Xifuminuofu), chairman of the Maritime Kray Trade Department, and whose members include (Muerzhayuefu), deputy general manager of the Soviet Union's All-Soviet Far East Foreign Trade Company, and (Mijiqikefu), manager of Maritime Kray Trading Company, held frank and earnest talks on border barter trade with the Jilin provincial friendly border trade delegation. [passage omitted]

JAPAN TO DEVELOP CLOSER TIES WITH CHINA

Nakasone Notes Progress

OW231257 Beijing XINHUA in English 1239 GMT 23 Dec 86

[Text] Tokyo, December 23 (XINHUA) -- Japan in the coming year will spare no effort to further the friendly relations between Japan and China, says Prime Minister Yasuhiro Nakasone.

In a new year message written for the Japanese newspaper "JAPAN AND CHINA," the prime minister notes relations between the two countries have made great headway since the restoration of their diplomatic relations fifteen years ago.

He adds the Japan-China ties have become more solid with frequent exchange of visits by government heads, foreign ministers and other officials and the conclusion of the Sino-Japanese Peace and Friendship Treaty.

The prime minister reaffirms the plan he put forward during his visit to China in November to invite 100 youths to visit Japan every year.

He expresses the belief that the plan will boost exchanges between youths of the two countries and help enhance relations between the two countries.

"JAPAN AND CHINA", the organ of the Japan-China Friendship Association, also carried in the new year issue published in advance a new year message by Honorary President Wang Zhen of the China-Japan Friendship Association.

Kuranari Promotes Cooperation

OW231933 Beijing XINHUA in English 1526 GMT 23 Dec 86

[Text] Tokyo, December 23 (XINHUA) -- The friendly and stable relationship between Japan and China is one of the pillars for Japan's foreign policies, Foreign Minister Tadashi Kuranari said yesterday.

Japan will develop its relations with China on the basis of the basic principles of the Japan-China Peace and Friendship Treaty, he said. Japan will continue cooperation with China in its modernization drive, he added.

Speaking at a luncheon party hosted by the Japan Journalists Club, Kuranari said that Japan's relations with Asian countries are extremely important.

On Japanese-Soviet relations, the foreign minster stressed that the northern territory issue is the biggest obstacle to the development of their relations.

Kuranari was referring to a group of islands in the north of Japan which were seized by the Soviet Union after World War II.

Japan and the Soviet Union have not signed a peace and friendship treaty precisely because this obstacle has not yet been removed, he said.

Japan is expecting the Soviet leader Mikhail Gorbachev to visit Japan so that the two countries can exchange views on bilateral relations, Kuranari said.

The foreign minister reiterated that Japan-U.S. relations remains to be the center in Japan's foreign affairs.

He said that he hoped to visit the United States by the end of January next year.

Japan needs to strengthen exchanges and cooperation with countries both in Western and Eastern Europe, he said, adding that the European community is an important political and economic force that cannot be ignored.

DPRK EDITORIAL CRITICIZING U.S., ROK CITED

OW230806 Beijing XINHUA in English 0747 GMT 23 Dec 86

[Text] Pyongyang, December 23 (XINHUA) -- The Democratic People's Republic of Korea (DPRK) has put forward many peace proposals this year aimed at easing the tension on the Korean peninsula and furthering the cause of peaceful reunification of the country, the Pyongyang paper "MINJU CHOSON" said today.

The paper recalled that in January of this year, DPRK decided to halt large-scale military exercises in the North side of Korea as of February 1 and all other military exercises during the North-South dialogue.

In June, it said, DPRK made a proposal for holding tripartite military talks among the military chiefs of DPRK, the United States and South Korea and establishing a nuclear-free peace zone on the Korean peninsula.

The paper pointed out that DPRK transferred 150,000 troops in September to the socialist construction of the country.

The paper said that all this showed the sincere efforts and peace-loving stand of the Korean party and Government for the relaxation of tension and the maintenance of peace on the Korean peninsula.

The paper denounced the United States and the South Korean authorities for sidestepping the peace proposals raised by DPRK.

It said the situation on the Korean peninsula has worsened because the United States and the South Korean authorities "continue to pursue a policy of aggression and war."

It stressed the firm stand of DPRK for realizing peace and peaceful reunification of the Korean nation through dialogues and consultations.

The paper called on the United States and the South Korean authorities to respond to DPRK's proposal for tripartite military talks and other peace proposals.

HSIN WAN PAO ON RELATIONS BETWEEN CHINA, LAOS

HK230739 Hong Kong HSIN WAN PAO in Chinese 22 Dec 86 p 1

["News Talk" column: "Breakthrough Between China and Laos"]

[Text] Chinese Vice Minister of Foreign Affairs Liu Shuqing is now paying a visit to Laos, which is the first visit by a Chinese delegation to this country since 1979.

The year 1979 is regarded as a watershed in Sino-Lao relations, because it is related to the Vietnamese occupation of Phnom Penh in January of that year. Since then, Vietnam has "put together" both the Heng Samrin regime in Phnom Penh and the Kaysone Phomvihan regime in Laos and forced Laos to support its policy of aggression against Cambodia.

In Laos, Liu Shuqing particularly pointed out: Originally, Sino-Lao friendly relations had entered a new stage, and unfortunately, there were some twists and turns. But these were a transient phenomena. Both China and Laos demand the quick restoration of good-neighborly relations between them. There is no reason that they should not maintain an everlasting friendship.

Khamphai Boupha, first vice minister of foreign affairs of Laos, also pointed out: The current talks are aimed at normalizing relations between the two countries as soon as possible on the basis of the five principles of peaceful coexistence.

Once Sino-Lao relations are normalized, it will be a new breakthrough in the situation of Indochina. People will follow with interest the development of the situation to see whether there will be more changes.

The Communist Party of Vietnam [CPV] recently held its Sixth National Congress. Nguyen Van Linh was elected general secretary of the party to replace Truong Chinh. But Van Tien Dung, defense minister, and Chu Huy Man, director of the General Political Department of the Vietnam's People's Army, did not enter the Political Bureau. This does not mean that their power in the Army has been weakened, but at least it shows that the CPV intends to shift the focus of its work to economic affairs.

Most comments made by the ASEAN countries after the congress hold that there will be no immediate and great changes in Vietnam's foreign relations, especially on the Cambodian question.

In his political report, while emphasizing that Vietnam's foreign policy will remain unchanged, Truong Chinh also said that Vietnam wants to improve its relations with China. This shows that there will still be a period of exploration in the future.

When answering questions, a spokesman of the Chinese Ministry of Foreign Affairs said that only when Vietnam withdraws its troops from Cambodia can the question of improving Sino-Vietnamese relations be discussed.

Liu Shuqing's Laos visit was first postponed and then realized after the Sixth CPV National Congress. This indicates a slight relaxation. If China had not made a study of the Sixth CPV National Congress, and if Vietnam had not allowed Laos to contact China, the visit would not have been realized after the 8 years' suspension of relations between both sides.

It is still some way to a political settlement of the question of the Vietnamese aggression against Cambodia. Nevertheless, it will be a good thing if the situation can be relaxed to a certain extent and some exploration can be made in this respect.

LIU SHUQING VISITS HYDRO-ELECTRIC POWER STATION

OW231737 Beijing XINHUA in English 1433 GMT 23 Dec 86

[Text] Vientiane, December 23 (XINHUA) -- Chinese Vice Foreign Minister Liu Shuqing today toured Laos' biggest hydro-electric power station on the third day of his visit here.

Recalling the existence of traditional friendship between China and Laos, the Chinese official said he would like to see Lao comrades resume visiting China and exchange expertise and experience.

Savath Phoubounpouk [name as received], head of the power station Nam Ngum, said he was very happy to have Liu there and he hoped more Chinese guests would come.

Located 80 kilometers northeast of Vientiane, the power station is equipped with five generating units with an installed capacity of 150,000 kilowatts. Its supply to Thailand earns Laos 2[illegible] million U.S. dollars annually.

Liu is in Laos for a five-day official visit beginning December 20.

RENMIN RIBAO ROUNDUP OF CAMBODIAN SITUATION

HK190247 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 17 Dec 86 p 6

["Year-End Feature" by reporter Liu Aicheng (0491 0897 2052) and Zhou Bizhong (0719 1801 1813): "Situation of Anti-Vietnamese Struggle in Cambodia Is Highly Favorable"]

[Text] The passing year has witnessed the Coalition Government of Democratic Kampuchea [CGDK] victories in the military, political, and diplomatic fields. The situation in the anti-Vietnamese struggle has turned out to be increasingly favorable to the Cambodian people.

The Cambodian patriotic armed forces have already fought the bloody battle for 8 years. This year, the situation on the Cambodian battlefield has been developing in a direction more favorable to Democratic Kampuchea but unfavorable to the Vietnamese invasion troops. The anti-Vietnamese armed forces have been fighting in the interior of the country since 1985. After a remarkable victory in the 8th dry season (between 1985 and 1986), the anti-Vietnamese troops have won new victories in the rainy season this year. They have actively waged guerrilla warfare in the vast Tonle Sap area this year, striking blows at the enemy with flexible tactics.

In sharp contrast to this, the Vietnamese troops failed to launch any large-scale offensive in the 8th dry season, although they did their utmost to carry out their plan to block the areas along the Cambodian-Thai border in an attempt to round up the anti-Vietnamese armed forces fighting in the interior of the country. The Vietnamese have again suffered setbacks in this rainy season. [paragraph continues]

Under attack by the anti-Vietnamese units, the Vietnamese have to station troops to patrol the western border areas and to guard cities, towns, and communication lines in the interior of the country. Having too many things to take care of at the same time and being forced to assume the defensive rather than the offensive, the Vietnamese are now in a dilemma.

The developments of the past year have shown that the Democratic Kampuchean anti-Vietnamese armed forces not only have a firm foothold in the interior of the country but have further expanded the guerrilla warfare zone, and a stalemate in favor of the Democratic Kampuchean patriotic force has emerged on the Cambodian battlefield. The several provinces around the Tonle Sap and the areas around Phnom Penh have become major battlefields where the anti-Vietnamese armed forces are striking blows at the Vietnamese troops. The anti-Vietnamese units have raided in succession the heavily guarded capital cities of the five provinces around the Tonle Sap, namely, Battambang, Siem Reap, Pursat, Kompong Thom, and Kompong Chhnang. They have made repeated surprise attacks on many important cities and towns, including the five country towns around Phnom Penh, as well as on many enemy strongholds. They have often cut the Vietnamese troops' vital communication lines, including the No 4, No 5, and No 6 highways, as well as the Phnom Penh-Battambang Railway. They have also slipped into downtown Phnom Penh to make surprise attacks on the Vietnamese troops and to raid the Pochentong airport. These changes on the Cambodian battlefield are basically due to the continuous strengthening of the unity between the three parties of the Democratic Kampuchean patriotic armed forces. The anti-Vietnamese units penetrating deep into the interior of the country have adopted the principle of integration of military and political work and have made every effort to win over the masses and to disintegrate Heng Samrin's army and local political governments. People have come to hate the Vietnamese aggressors more and more and have rendered assistance to the anti-Vietnamese troops by various means. An extensive Cambodian national front against the Vietnamese aggressors is taking shape. This is an important guarantee of the Democratic Kampuchean armed forces' victory over the enemy.

The 8-point proposal on the political settlement of the Cambodian issue put forth by the CGDK last March is fair, reasonable, and magnanimous.

Fully displaying the spirit of great national unity and great national reconciliation and the coalition government's sincerity in seeking a political solution to the Cambodian issue, this proposal has not only won the Cambodian people's support but has won the approval of and is welcomed by the international community. In unjustifiably turning down the 8-point proposal, the Vietnamese authorities have laid bare their stubborn aggressive and expansionist stand, thus finding themselves in a more and more isolated position. Evidence of this is the adoption by an overwhelming majority of 116 votes at this year's UN General Assembly of a resolution demanding that Vietnam withdraw its troops from Cambodia.

The key to the solution of the Cambodian issue lies in the withdrawal of all the Vietnamese invasion troops from Cambodia. Although the Vietnamese authorities have declared in words their intention to "withdraw their troops," they are intensifying their aggressive force. So long as Vietnam stubbornly holds to its aggressive stand, Cambodia will remain a hot spot. There is no doubt that the anti-Vietnamese forces have to carry on a protracted and arduous struggle. But good is bound to triumph over evil.

CPC OFFICIALS 'SHOCKED' BY BEIJING DEMONSTRATIONS

OW240605 Tokyo KYODO in English 0548 GMT 24 Dec 86

[Text] Beijing, Dec. 24 KYODO -- Chinese Communist Party officials appeared Wednesday to have been greatly shocked by the wave of university student demonstrations that finally hit Beijing Tuesday night.

Some 5,000 students, demanding democracy and freedom, assembled in Beijing People's University Tuesday night. The student gathering in the nation's capital took place against a backdrop of confidence expressed by some city officials who said Beijing would be spared from demonstrations. Students in Hefei, Wuhan and Shanghai had earlier took to the streets demanding that government leaders give them more freedom and democracy.

Through the official PEOPLE'S DAILY, the government has warned the youths not to resort to "excessive action" and urged them to join in the "unity" and "stability" of the country.

Some analysts said that the current student movement may sweep through the entire China mainland, possibly seriously affecting the problem of domestic political and economic reforms confronting the Chinese leadership.

Tuesday night's student action began around 7 p.m. when some 2,000 students gathered on the campus of Qinghua University. Participants included students from Beijing University and People's University. Then shortly before 9 p.m., they started marching on the street toward Beijing University, about 1.5 kilometers away.

Chanting "Long live democracy," "Long live freedom," "Long live human rights," and "Recognize freedom of the press and freedom of publication," the demonstrators entered the Beijing University campus.

The students proposed a debate on the question of democratization, but Beijing University authorities refused. Thereupon, they began marching toward People's University, 1 kilometer away. By the time the demonstrators reached the university, the number swelled to about 4,000 to 5,000.

Police apparently were unprepared to cope with the development since the students were carrying out demonstrations without notifying authorities. About 100 uniformed officers rushed to the scene of the demonstrations but merely watched the students.

A student activist who attended the Tuesday demonstration said that they had planned the rallys in the guise of a celebration over China's victory in an international soccer game. No one so far was reported arrested, he said.

Some of the students staged a march from the China People's University to Tiananmen Square in the heart of Beijing, but were stopped by police at about 1:00 a.m. before they reached the square. The rest, estimated at 3,000, remained at the China People's University and held a rally. They accused the PEOPLE'S DAILY of publishing an editorial against students' radical acts Tuesday. Some of them expressed anger at police for arresting student demonstrators in Shanghai.

Universities in Beijing had been relatively neutral toward student movements. Informed sources said that pro-democracy groups, whose actions were repressed in 1978, are maintaining contacts among such students to organize large actions.

PAPER URGES YOUTHS TO DEFEND CURRENT SITUATION

OW231545 Beijing Domestic Service in Mandarin 1200 GMT 23 Dec 86

[Text] ZHONGGUO QINGNIAN BAO today carried a commentator's article entiled: "Defend the Current Good Situation."

The article said: Starting from the 3d Plenary Session of the 11th CPC Central Committee in 1978, the annals of the new era in China is now drawing close toward the end of 1986. The past 8 years saw steady, sustained, and coordinated progress in China's politics, economics, and culture. All unbiased youth must recognize this fact.

The article continues: One of the most fundamental and important conditions for achievements in various aspects in the past 8 years could be measured by stability and unity. Hence, every youth must be duty-bound to defend and develop the current good situation in a highly responsible manner while being inspired to plunge into the motherland's cause of reform.

The article added: Our reform is the self-perfecion and development of socialism. Its nature determines that the reforms in China must not take the form of a tempestuous political movement. Hence, such reforms must not be carried out in the form of a political movement. The Great Proletarian Cultural Revolution has taught us the lesson that turmoil must not be permitted to wreak havoc but must be repulsed. Orderly reform can only be promoted in a situation characterized by stability and unity. For this reason, the key to the success or failure of reforms lies in whether we continue to consolidate or undermine the political situation characterized by stability and unity.

The commentator's article concluded: The younger generation has been brought up by education of the party and the people. The party and the people have always shown concern for, cherished, and thought highly of the younger generation. We must therefore show responsibility in our words and deeds. We can only accomplish the lofty mission of contemporary youths in striving for a bright prospect for socialist China by cherishing lofty ideals, displaying competence in work, showing a high degree of consciousness, and by setting an example in practical work and not indulging in empty talk or drifting with the tide.

HU QILI RESPONSIBLE FOR POLICY TOWARD STUDENTS

OW231305 Tokyo KYODO in English 1301 GMT 23 Dec 86

[Text] Beijing, Dec 23 KYODO -- According to sources well versed in democratization movements here, students in Nanjing held a rally on the Nanjing University campus Monday, and they also put up wall posters. But the Nanjing students apparently did not go into the streets for demonstration marches.

Students at Nankai University in Tianjin have been putting up wall posters for the past several days, criticizing what they claim to be intervention by the authorities in an election for the local people's congress.

On Tuesday morning, however, one poster at Nankai University reported that the authorities had expressed their readiness to accept student candidates for the election. The poster evaluated the authorities' action as a step toward democratization. There was no movement among the students there to organize a demonstration.

Meanwhile, at Beijing University, long regarded as the center for student activities, no major movements were reported, aside from a wall poster put up Tuesday.

The poster protested against an action to ban the publication of the literary magazine CHINA, which is popular among the more extreme reformist students, and it criticized the Chinese association of writers.

According to the sources, the authorities are actively trying to dissuade Beijing University students from conducting demonstrations, by saying that demonstrations adversely affect the progress toward democracy. The students still remember warnings that students who took part in anti-Japanese demonstrations last year would be at a disadvantage in finding employment after graduation, they said.

The sources said that Politburo member Hu Qili of the Chinese Communist Party is mainly in charge of the party's policy toward the current student movements.

Hu is the one who finally permitted the reporting on student demonstration movements in Shanghai, Hefei and Wuhan, they said.

HONG KONG XINHUA CHIEF ON STUDENT ACTIONS

HK231330 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1231 GMT 23 Dec 86

[Text] Hong Kong 23 Dec (ZHONGGUO TONGXUN SHE) -- Xu Jiatun, director of the XINHUA Hong Kong branch, today told reporters that he believed that the student strikes recently occurring in Mainland China can be settled very soon. He said that the students' demand for democracy and freedom is in line with the orientation of the political reform launched by the central authorities, and the problem is merely the pace of reforms. Because there is not sufficient communication between the authorities and the public, the students' actions are understandable. He believed that "agreement" will certainly be achieved through communications.

After attending the opening ceremony of an "Exhibition of Chinese paintings from the Society for Oriental Art Exchanges," Xu Jiatun answered questions raised by reporters.

He denied that some top leaders had supported the student demonstrations behind the scenes. He said that this was merely conjecture by some overseas people relating to the experiences of the "Cultural Revolution," during which similar student strikes also occurred.

A reporter asked him whether the Shanhai Public Security Bureau's stipulation that all student assemblies and demonstrations must first be approved through application violates the principles of the constitution. Xu Jiatun said: As far as he knows, many capitalist countries also have similar stipulations. In Japan, Australia, and even Hong Kong, applications are necessary before public assemblies are held. The Constitution stipulates the freedom of assembly and demonstration, a need for application does not go against this constitutional principle.

Xu Jiatun added that in the broad sense, democracy and freedom in Mainland China are not different from those in Hong Kong, but they have different specific contents.
The "Exhibition of Chinese paintings by the Society for Oriental Art Exchanges" staged by a delegation led by Deng Lin, Deng Xiaoping's daughter, will last until 31 December in Hong Kong. At the press conference, Deng Lin said that they are planning to hold another joint exhibition with Japan with Japanese artists next March. They also hope to hold an exhibition of works by painters from all over the world, including Overseas Chinese painters in the near future.

CYL AFFIRMS STUDENTS' SOCIAL PRACTICE

OW232124 Beijing XINHUA Domestic Service in Chinese 1311 GMT 23 Dec 86

[By reporter Zou Aiguo]

[Excerpts] Beijing, 23 Dec (XINHUA) -- Tempering themselves through social practice and studying hard for the motherland's taking off are the historical responsibility of university students of our time -- this is the common understanding in the speeches made by university students at a discussion meeting on social practices attended by university students from the Beijing and Tianjin areas today.

More than 20 students from schools of higher learning in the Beijing and Tianjin areas and recent university graduates attended a meeting at the office of the CYL Central Committee today. They had enthusiastic discussions about questions on how to integrate students' ideals with reality and combine theory with practice through social practice and how young intellectuals can take the correct path.

"Only through social practice can young intellectuals correctly understand society, correctly understand themselves, be unshakable in their belief, and make contributions to building socialist material civilization and spiritual civilization." Zhang Honghai, deputy secretary of the Beijing Municipal CYL Committee, cited many examples to explain that social practice can, to a certain extent, make up for the inadequacy of education from books. Students can find answers to questions they cannot understand by learning from the masses and the society.

Zhang Honghai told the participants: During summer this year, Beijing University organized a group of students to take part in social practice in Guizhou and Yunnan. Being away from their school of higher learning and living among the masses, the university students had many thoughts and feelings. One of them said: "After seeing the actual things, we are deeply encouraged by the achievements of reform. At the same time, we have noticed that the development of economy, culture, and science in our country is quite uneven. In carrying out reform in our country with an uneven development of economy and culture, we must proceed in a solid manner and advance step by step." [passage omitted]

The participants cited many examples to explain that through taking part in social practice they had the opportunity to display their role, saw their own shortcomings, and firmly made up their mind to study hard. According to data provided by the All-China Students' Federation, about 1 million students from universities, colleges, and polytechnic schools throughout the country have taken part in social practice activities this year. They went to various parts of the motherland to take part in such activities as providing technical assistance, teaching in cultural and technical fields, social investigation and voluntary labor. They made outstanding achievements in their activities.

Li Keqiang, member of the Secretariat of the CYL Central Committee, transmitted a proposal from the CYL Central Committee and the All-China Students' Federation at the meeting, hoping that schools of higher learning throughout the country will continue to unfold social practice activities during the forthcoming winter vacation.

KMT REVOLUTIONARY COMMITTEE HOLDS SESSION

OW230521 Beijing XINHUA Domestic Service in Chinese 1547 GMT 20 Dec 86

[Text] Beijing, 20 Dec (XINHUA) -- The 16th meeting (enlarged) of the 6th Central Standing Committee of the Chinese Kuomintang Revolutionary Committee closed this afternoon. In his speech, acting chairman of the Central Standing Committee Qu Wu pledged to further improve the organization and achieve progress in promoting the idea of "one country, two systems" and the realization of the motherland's peaceful reunification.

Members of the Central Standing Committee and officials of the Kuomintang Revolutionary Committee in all provinces, autonomous regions, and municipalities participating in the meeting pointed out that the idea of "one country, two systems" is a basic national one, formulated with the ultimate goal of reunifying the motherland and regenerating the Chinese nation, and in light of the reality in China, taking into consideration both historical and present conditions, in order to achieve the grand unity and reunification of the Chinese nation. The idea, which reflects the common aspiration of compatriots in Taiwan, Hong Kong, and Macao, Chinese nationals residing overseas, and all Chinese people, is a realistic way to achieve the motherland's peaceful reunification.

The participants also discussed questions concerning restructuring the central leadership of the Kuomintang Revolutionary Committee to facilitate succession of the old by the new, building spiritual civilization, and democratic parties' democratic and supervisory role in taking part in, and discussing, state affairs. The meeting decided that a national congress of the Kuomintang Revolutionary Committee would be held in Beijing from 5 February 1987. Director of the United Front Work Department of the CPC Central Committee Yan Mingfu, attended and spoke.

NEW RULES TO CRACK DOWN ON CONSTRUCTION COMPANIES

OW231052 Beijing XINHUA in English 0849 GMT 23 Dec 86

[Text] Beijing, December 23 (XINHUA) -- The Chinese State Council has issued new rules to consolidate the country's construction companies in a bid to put an end to profiteering and other illegal dealings in the industry.

Over the past year, the government took a series of measures to tighten control over state and collective construction companies to improve the quality of new buildings and put an end to various illegal dealings in house construction, including illegal sales of contracts, tax evasion, the use of inferior building materials, and undertaking construction projects without licenses.

The rules said that the consolidation will concentrate on wiping out illegal activities and improving construction quality.

The State Council urged local governments to coordinate their efforts in this drive.

GU MU ON CHINA'S OPENING TO OUTSIDE WORLD

HK240843 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 50, 15 Dec 86 pp 3-6

["State Councillor Gu Mu's Talk on China's Opening to the Outside World -- Arranged (zheng li 2419 3810) by LIAOWANG reporter"]

[Text] (Synopsis) State Councillor Gu Mu recently had a long talk with a reporter of this journal, focusing on China's opening to the outside world. He noted: A multilayered structure with the focal point aimed at gradually promoting China's opening to the outside world has begun to take shape. The structure comprises four layers -- "the special economic zones," "the open coastal cities," "the open coastal economic zones," and "the hinterland," with the primary emphasis on the coastal areas. Our special economic zones are making new progress in developing their export-oriented economies; our open coastal cities have imported over 4,000 important technological items for renovation; our open coastal economic zones have established over 300 relatively large agricultural and sideline production bases for producing exports; and foreign businessmen investing in joint ventures and cooperative businesses in the hinterland can also enjoy special preferential treatment.

Of course, China's investment environment still must be further improved and there are problems concerning the investment environment. At present, all areas are stepping up implementation of the State Council's "Provisions for the Encouragement of Foreign Investment." Of the more than 10 sets of detailed rules and regulations for the implementation of the provisions, some have already been promulgated, and some have entered the final stage for examination and approval and will gradually be made known to the lower levels before the end of this year. The State Council has set this target: All the 22-article provisions for the encouragement of foreign investment must be fully carried out by the end of this year or before the end of the 1st quarter of next year at the latest. [end synopsis]

The Structure Aimed at Opening China to the Outside World Has Begun To Take Shape [subhead]

With the implementation of the policy on opening up China to the outside world from the end of 1978 to this day, a multilayered structure with focal points aimed at gradually promoting China's opening to the outside world has begun to take shape. The structure comprises four layers -- "the special economic zones," "the open coastal cities," "the open coastal economic zones," and "the hinterland," with the primary emphasis on the coastal areas. This structure conforms to the condition of China and on the whole is in keeping with the aspirations of foreign investors.

Our Special Economic Zones Are Entering the Stage for New Development [subhead]

The work of developing Shenzhen from a small border town with an annual industrial output value of 50 to 60 million yuan into a city of today with an annual industrial output value of over 3 billion yuan only took us 6 to 7 years to finish. this speed of development is rare in the world. Even some foreigners have said that Shenzhen is a "city that came into being through an explosion." The state has been offering new tasks to Shenzhen since last year. While affirming the Shenzhen people's achievements in their work over the past few years, the state has pointed out that Shenzhen should enter a new stage of development. [paragraph continues]

This means that Shenzhen must not just strive for higher speed and larger capital construction scale and that Shenzhen should actively "grasp production, improve standards, strive for better returns, and establish an export-oriented economy." The significance of our strenuous work of establishing the Shenzhen Special Economic Zone will be lost if we merely regard Shenzhen as a developing industrial city, if Shenzhen is only capable of producing "popular goods of dependable quality" that meet the needs of the domestic market, and if Shenzhen is incapable of bringing its products into the international market, promoting its exports, increasing its foreign exchange earnings, playing the role of being the "four windows" and a vanguard role in our reform of the economic structure, and exploring [tan suo 2232 4792] some new experiences. In accordance with state policy, our four special economic zones have all paid close attention to promoting their rectification work since last year. Through the rectification, they have greatly reduced their capital construction scales. In this year, the Shenzhen Special Economic Zone has terminated more than 70 construction items that produced poor economic returns, did not have very advanced technology or were not much needed, and has also laid off more 70,000 capital construction workers. At the same time, Shenzhen has scored remarkable achievements in actively raising production standards and developing its export-oriented economy. It is estimated that Shenzhen's industrial output value for this year will reach 3.3 billion yuan, an increase of 23 percent over last year, and that the "export proportion" [chu kou bi 0427 0656 3024] of Shenzhen's industrial output for this year will be increased by over 10 percent as compared with last year. The "export proportion" of the Shekou Industrial District's output is close to 70 percent.

It is very gratifying to see this progress. During a period in the spring of this year, the total sales on the Shenzhen market fell. The fall was caused by a number of factors -- the laying off of a large number of capital construction teams; nationwide macroeconomic control was strengthened, thus reducing the social purchasing power; and efforts were made to crack down on speculation and profiteering, thus reducing the number of business visits to Shenzhen. Some overseas newspapers and journals played up the "desolate scene on the Shenzhen market." In fact, this was a normal phenomenon and an inevitable process at the turning point in the further development of Shenzhen. This was a historical period.

The sales volume of the Shenzhen market has increased gradually month after month ever since May this year. It is estimated that the Shenzhen market's total sales for this year will be close to last year's level. Some overseas newspapers and journals have propagated for a period of time that "the experiments made in the special economic zones have failed." This propagation was not based on facts. Compared with the past, we now have greater confidence in the prospects for developing our special economic zones.

The Current Conditions of Our Open Coastal Cities [subhead]

Since the opening of 14 coastal cities to the outside world in the spring of 1984, the 14 cities have scored great achievements in making use of direct [zhi jie 4160 2234] investments made by foreign businessmen, in importing technology to transform old enterprises, and in improving their investment environment. By the end of October this year, China has actually absorbed U.S. $5.9 billion (excluding foreign loans) in direct foreign business investment; more than 7,300 enterprises involving foreign investment have been approved, with one-third already operational. Of the more than 7,300 enterprises, 80 percent are scattered over a number of coastal provinces and cities including Guangdong, Fujian, Shanghai, and Tianjin. In particular, important industrial cities such as Guangzhou, Dalian, Shanghai, Qingdao, and Tianjin have relatively more enterprises involving foreign investment. People are very concerned with the conditions of these enterprises' economic returns and foreign exchange balance.

As far as I know, their general conditions are good and their problems regarding foreign exchange balance are not serious problems. Tianjin Municipality's 64 enterprises involving foreign investment have all achieved a favorable balance of foreign exchange, with the average profit rate of foreign capital reaching 19 percent and the profit rate of foreign capital in industrial enterprises reaching 24 percent. Of the more than 50 enterprises involving foreign investment that have gone into operation in Shanghai Municipality, more than 40 have roughly achieved a foreign exchange balance and only several large factories have found it necessary to achieve a foreign exchange balance through the method of "exchanging products for imports." Judging from the technological levels of foreign investment items, most of them are small and general items and there are some times with the technological levels of the late 1970's and early 1980's. Moreover, the proportion of items with advanced technology has been increasing year after year.

Due to historical reasons, China's overall technological level is 20 to 30 years behind that of the developed countries. This is known to all. To quicken the pace of improving China's technological level and to speed up the progress of China's four modernizations, we must not only redouble our efforts to develop and spread new technologies but must also be good at absorbing advanced foreign technologies. According to preliminary statistics, over the past few years, the 14 cities have been engaged in over 4,000 relatively important imported items for technological transformation purpose. Tianjin Municipality conducted transformation for a number of key enterprises. As a result, more than 100 high-quality products from these key enterprises have entered the international market. Following the transformation of the textile industry in Nantong City, the "export proportion" of its output has reached 65 percent. We must never underestimate the active role played by open coastal cities in promoting the improvement in our country's technological level. We must make greater efforts to promote work in this regard.

Open Coastal Economic Zones Have Achieved a Good Beginning [subhead]

In early 1985, China decided to open the Changjiang and Zhujiang River Deltas and the Xiamen-Zhangzhou-Quanzhou delta areas as open coastal economic zones. Following the opening of these places, the state has not offered them much preferential treatment. Moreover, the opening of these places coincided with the state's strengthening of macroeconomic control. Therefore, people in these places said; "Our opening up to the outside world was carried out at our own expense." Despite this, these places have over the past 2 years scored quite a few achievements in implementing the policy on promoting "trade, industry, and agriculture" and in developing industrial and agricultural exports. According to incomplete statistics, these open zones have established more than 300 relatively large agricultural and sideline production bases for producing exports. The exports provided by the bases in 1985 increased by 20 percent as compared with 1984, and the exports they provided during the first half of this year increased by 40 percent as compared with the same period last year.

How Are We To Open the Hinterland to the Outside World [subhead]

To open the whole country to the outside world, China has adopted a multilayered method of gradually promoting the opening with the primary emphasis on the coastal areas. This policy is correct. Having the coastal areas take the lead in opening up to the outside world will certainly promote not only the economic development of the hinterland but also the further opening up of the hinterland. The superiority of the opening up of the Chinese coastal areas is based on the backing of the hinterland, which is rich in natural resources and has vast territory. [paragraph continues]

Moreover, continued advances made by the coastal areas in importing, digesting, and absorbing advanced foreign technologies will have increasingly greater radiative [fu she 6553 1410] effects on the hinterland and will bring about increasingly greater successes in promoting lateral economic ties. The strong points of the coastal areas are technology, information, and qualified personnel, while the hinterland has the strong point of being rich in natural resources. Allowing the hinterland's semifinished products to be further processed by the coastal areas for appreciation purposes prior to placing them on the international market benefits both the hinterland and the coastal areas. Of course, we always hold that conditions of various areas of the hinterland are not completely identical and that each area should proceed from its actual conditions and open itself to the outside world in a down-to-earth manner in the light of external conditions.

Over the past few years, the greater majority of provinces and autonomous regions in the hinterland have made gratifying steps in absorbing and utilizing direct foreign investments. For example, the contracts Sichuan Province signed with foreigners last year involve 41 projects; Yunnan Province has established 16 enterprises involving foreign investment; and the Xinjiang Uygur Autonomous Region has signed agreements on 29 foreign investment items. Opening to the outside world is a basic national policy that should be implemented by both the coastal areas and the hinterland. The coastal areas' implementation of the policy differs from the hinterland's only in order of priority. Regarding some projects for exploiting natural resources in the hinterland, if one insists on transporting raw materials to the coastal areas from afar to run such projects in the coastal areas, this is evidently going against the economic law. If foreign businessmen are willing to invest in and run such projects in the hinterland, we would welcome and support them. When their investments in such projects are approved by the state, they can enjoy special preferential treatment.

Opening to the Outside World and the Building of Spiritual Civilization [subhead]

Will China's opening to the outside world bring about harmful effects on the building of socialist spiritual civilization? People worried deeply about this in the early days of the implementation of the policy on China's opening to the outside world. At that time we said: With the opening of our windows, both fresh air and flies will come in. Even if there are problems, there is nothing to be afraid of. People in our special economic zones have a relatively strong sense of time, efficiency, and beneficial results, and also have a relatively outstanding sense of competition, making progress, and striving for excellence. The common characteristics of young people in our special economic zones are being eager to learn, striving to make progress, and making the best use of one's spare time to acquire elementary education, master nee skills, and learn foreign languages. Moreover, public order in our special economic zones is not bad compared with public order in the hinterland.

Judging from the actual situation, people are increasingly clear about the point that there is no definite relation between opening to the outside world and capitalist ideas running rampant. So long as they attach importance to ideological work and as long as they strengthen management in practice, our special economic zones can play a "filter" role in stemming the inflow of filthy and decadent things of capitalism and in digesting and absorbing those fruits of the capitalist material and spiritual civilizations that they can make use of. They can also test and develop such fruits in practice.

Due to the past few years' work of opening up to the outside world and carrying out reform of the economic structure, a new concept is being understood and accepted by more and more people: Promoting the building of our material and spiritual civilizations behind closed doors just does not work. [paragraph continues]

Opening to the outside world not only plays a positive role in changing our backward economic conditions, but also plays a positive role in opening up people's minds, in changing people's old concepts, and in building socialist spiritual civilization. Is it not true that the sense of time, efficiency and beneficial result, and the sense of competition, making progress and striving for excellence have now been generally accepted? As for some new conditions of the current economic structural reform such as the implementation of the "lease system" within some small and medium-sized enterprises and the enforcement of the "Bankruptcy Law" within some enterprises that produced poor returns, they all have something to do with new concepts resulting from China's opening to the outside world. Of course, these new things are all in practice and some existing problems will have to resolved through practice.

The Major Existing Problems of Our Concrete Work [subhead]

It is clear to all that China's opening to the outside world has initially made a breakthrough and has also scored great achievements. However, we must not lose sight of the fact that many malpractices, problems, and unadapted things have been exposed in our concrete work. If we do not conscientiously study and solve these problems which demand prompt solution, it will be very difficult for us further to promote China's opening to the outside world.

What are these malpractices, problems, and unadapted things?

First, China is really inferior to some of its neighboring countries and regions in investment environment. Over the past few years, China has paid very close attention to "hardware" problems such as problems concerning airports and telecommunications, and has in fact made some improvements in this regard. Moreover, foreign investors also know that it takes a process to achieve perfection in this field. Although foreign businessmen generally show an understanding of the "hardware" problems, they have many complaints about our "software" problems, such as low management standards, inefficiency in handling affairs, serious bureaucratic practices, and enterprises lacking in decisionmaking power. They hold that such problems are created by man-made factors and that it is not difficult to solve such problems as long as there is good faith. During the previous period, the relevant parties did not attach importance to such problems. Some units have taken an indifferent attitude toward problems reported by foreign businessmen. There are many examples in this regard. For example, a certain city was short of electric power, thus forcing an enterprise involving foreign investment to shut down. The relevant foreign businessman felt great anxiety about the power cut and talked to the power supply department, saying: "We have signed contracts with the outside world. If we do not go into operation and cannot fulfill our contracts, we will suffer heavy penalty." However, our relevant personnel regarded this as a matter of no consequence and just said: "We cannot even guarantee power supply for state-operated enterprises. How can we guarantee power supply for you?" In fact, during the previous period, many enterprises involving foreign investments did not have a guaranteed supply of water, electric power, and raw and processed materials needed for normal production purpose. What attractions can this kind of investment environment offer to foreign businessmen? The scope of the work of utilizing foreign capital is very wide. If enterprises involving foreign investment do not have definite and stable channels [qu dao 3255 6670] of human, financial, and material resources and of production, supply, and marketing, there will be adverse effects on the production and management activities of these enterprises, on the state's macro-control and administration, on organizing the digestion and absorption of imported technologies, and on expanding the use of related spare parts made in China. Therefore, we must bring enterprises involving foreign investment into the channels of the whole national economy. [paragraph continues]

This means that we must guide foreign investments in accordance with the needs of China's plan for national economic and social development; introduce investment items that are encouraged and needed in China; avoid signing contracts blindly; determine the scale of every investment project in accordance with its feasibility; get rid of the notion that the more the better; carry out the terms of construction, production, and management in every contract as soon as it is signed; and try in every possible way to manage every project successfully.

Second, there are many malpractices within the management system. China is currently carrying out reform of its economic structure. This is a very arduous and complicated task. This is because our old imported management system has been in operation for more than 30 years. Many people are accustomed to this old system characterized by interaction and petty disputes. To be frank, I think that enterprises involving foreign business investment will find it very dfficult to adapt themselves to the system. Under this system, an investment item must go through formalities at several dozen offices and requires several dozen officially sealed papers. Moreover, although there are many "grandmothers" [popo 1237 1237], none of them is really in charge of solving problems. Just as a Hong Kong investor complained: "In China, too many people are blowing whistles and asking for time-out and we are at a loss as to what to do." This management system neither suits the needs of foreign businessmen investing in factories nor suits the needs of improving our domestic economic management. It is necessary to reform the system now.

Third, the conditions of our legal system also do not really suit the needs of developing economic cooperation with foreign countries. We have done much work concerning economic legislation ever since China's opening to the outside world in 1979 [as published]. There are now more than 50 sets of economic laws and regulations that were promulgated by the NPC Standing Committee and the State Council. Even foreign businessmen have agreed that although China's economic legislation remains to be further amplified and perfected, there are clearly defined stipulations in all basic aspects. The problem is that China lacks the tradition of "rule by law" and that "acting in violation of the law" and "personal words taking the place of the law" are relatively serious phenomena. As a result, investors have a sense of insecurity. There are indeed examples in this regard. For example, without the consent of the board of directors of a joint-venture enterprise, a local responsible department acted on its own and dismissed a responsible person of the Chinese side at the enterprise from his post. This action apparently violated "The Law of the Management of Sino-Foreign Joint Venures." There is also another very bad phenomenon: As every enterprise involving foreign investment is regarded as a slice of "fat meat," everyone wants to get petty advantages at the expense of these enterprises and to reap some profit from them, thus creating relatively serious arbitrary apportioning of expenses among these enterprises and relatively serious arbitrary collection of fees from them. These practices impair solemnity of state law and the reputation of the policy on China's opening to the outside world. We must resolutely put an end to such practices.

The 3-Point Spirit of the "22 Articles" [subhead]

The CPC Central Committee and the State Council have attached major importance to the following trends that emerged this year: Foreign busiessmen's enthusiasm for investing in China has cooled to some extent, the number of newly signed investment contracts has been reduced to some extent, and there has been some increase in the comments on China's investment environment. Premier Zhao Ziyang has repeatedly given intructions to systematically sum up the previous period's experience in utilizing foreign capital and to assist enterprises involving foreign investment in successfully running them. [paragraph continues]

General Secretary Hu Yaobang has also paid close attention to foreign businessmen's comments and has given many written instructions. In July this year, the State Council issued for internal circulation "Certain Provisions for Improving the Management of Enterprises Involving Foreign Investment." The State Council on 11 October formally promulgated the "Provisions for the Encouragement of Foreign Investment," also known as the "22 Articles."

The "22-article" provisions tentatively sum up China's experiences in utiliziang foreign capital over the past few years. The provisions, which were enacted on the basis of referring to some foreign practices, show some developments and breakthroughs in many aspects compared with some past provisions.

First, it is further stipulated clearly in the provisions that enterprises with foreign investment fully enjoy the right of autonomy regarding production and management. Within the framework of Chinese law and the contracts signed, enterprises with foreign investment have the right by themselves to determine production plans, to raise funds, to use funds, to purchase raw and processed materials, to sell products, and to employ and dismiss staff and workers. Just like the practice in other countries and regions, enterprises with foreign investment are not restricted by China's present system in managing themselves in accordance with international scientific advanced methods. Although China' economic structure is undergoing reform, it will be difficult to turn the nationwide investment environment into a perfect environment overnight. However, first of all, we should create in our special economic zones and open coastal cities a kind of investment climate that attracts investments from foreign businessmen and guarantees to provide the necessary conditions for their production and operation.

Second, the provisions insure enterprise with foreign investment and particularly "export enterprises" and "technological advanced enterprises" necessary conditons for their production and operation to enable them to become profitable enterprises. The "22-article" provisions clearly stipulate that production plans of these enterprises should be treated as part of the national plan; that fees for the supply of water, electricity, communications facilities, and raw and processed materials shall be computed and charged in accordance with the standards for local state enterprises; and that the new special privileges granted them include reduced fees for labor and for land use and reduction or exemption from income tax and the tax on remitting profits abroad. To solve some enterprises' problems regarding balance of foreign exchange, we must also adopt the method of comprehensive compensation and the method of accepting foreign exchange as a security for granting loans. Some products of the technologically advanced enterprises should be allowed to circulate within the domestic market to replace imports and the state should offer foreign exchange subsidies to such enterprises. In short, we must enable enterprises with foreign investment to reap legal profits and to remit profits abroad.

Third, it is imperative to raise efficiency in handling affairs. Having many things to attend to and having great difficulty in getting things done are the most serious headaches for foreign businessmen. Prior to solving the whole system's problems, we must first adopt some special measures. The current key method is that a provincial governor and his vice governors or a mayor and his vice mayors personally preside over regular meetings of relevant departments to jointly examine and discuss matters concerning enterprises with foreign investment and to make final decisions on the spot. This method means that foreign businessmen do not have to call on many govenment departments and that there will be a big reduction in numerous official documents. Recently, Tianjin and Shanghai municipalities and Guangzhou and Fuzhou cities have implemented this method and achieved good results. [paragraph continues]

Areas with suitable conditions can take a further step by centralizing various types of foreign investment work that are now managed separately by various departments. They can then select from various departments a group of devoted, able, and efficient cadres who are old hands at foreign investment work to form an authoritative organ that is in overall charge of the work of handling enterprises with foreign investment. This organ will be the one and only "window" handling foreign affairs in this regard.

Following the promulgation of the ""22-article" provisions, foreign businessmen have welcomed the provisions. Foreign reactions to the provisions have been good. Some foreign commentators held that these provisions promulgated by the Chinese Government "have displayed confidence" and "have shown that a new step forward has been made in opening to the outside world." Some people have worried about provisions, saying: "The policy is good. But will the policy be fully carried out?" These people really did not mince words. People are watching for our action. We must take real action to win other people's confidence and must resolutely and successfully grasp the work of fully carrying out the "22-article" provisions.

Judging from the current situation, we can see that all provinces and cities have attached major importance to and firmly grasped the work. Regarding some enterprises with foreign investment that face relatively more difficulties, all provinces and cities are currently assisting such enterprises in solving their actual problems. Many provinces and cities have recognized some enterprises with foreign investment as being qualified as "export enterprises" and "technologically advanced enterprises" and have also issued a number of lists of such enterprises. All areas have also taken actions to improve services for enterprises involving foreign investment. Of the more than 10 sets of detailed rules and regulations for the implementation of the "22-article" provisions, some have already been promulgated and some have entered the final stage for examination and approval and will be gradually made known to the lower levels before the end of this year. We can say that a good beginning has been made in the full implementation of the "22-article" provisions must be fully carried out by the end of the year or before the end of the 1st quarter of next year at the latest. Regarding the issue of utilizing foreign businessmen's direct investments, we must establish in front of foreigners this image: We Chinese mean what we say. Our work can surely exert a tremendous influence so long as we conscientiously and successfully grasp the full implementation of the "22-article" provisions and as long as we do well in earnestly solving real problems of the approved foreign investments in enterprises and particularly those real problems concerning enterprises with foreign investment already in operation.

LIAOWANG INTERVIEWS GU MING ON BANKRUPTCY LAW

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[Article by Li Shangzhi (2621 1424 1807) and He Ping (0149 1627): "An Important Measure To Shatter the 'Big Pot' -- Gu Ming on the Formulation of the Enterprises Bankruptcy Law"]

[Exerpts] The Draft PRC Enterprise Bankruptcy Law was successively discussed at the 16th 17th, and 18th meetings of the 6th NPC Standing Committee. At these meeting, members of the NPC Standing Committee enthusiastically discussed the proposed law and expressed their opinions from different viewpoints. This gives us an idea of how democratically and seriously the country's highest organ of state power makes decisions on important proposed laws.

Why is it necessary to formulate a bankruptcy law? Are conditions ripe for its enforcement? With these questions in mind, we interviewed Gu Ming, director of the State Council's Economic Legislation Research Center, who is in charge of drafting the bankruptcy law.

Bankruptcy Laws Are Not Peculiar to Capitalist Societies [subhead]

Without mincing words, we said: "Some people have suggested that bankruptcy laws are peculiar to capitalist societies. Do you think this is correct?"

Obviously not in a hurry to answer our question directly, Gu Ming began by giving us an introduction to the origins and development of bankruptcy laws in history. He said: "There have been bankruptcy laws since ancient times. Bankruptcy laws owe their origin to Roman law. In the mid-1200's, bankruptcy regulations were formulated in Italy, in Venice, Milan, and Florence. In the 18th and 19th centuries, France, the United States, and some other capitalist countries wrote these regulations into their laws. Basically, these regulations were first aimed at regulating property relations in commercial activities. Later, they were extended to cover the operation of enterprises and companies and were applied in handling the problems of declaring bankruptcy, debt payments, and the rights and libilities of the people involved. Thus, it can be seen that bankruptcy laws are not peculiar to capitalist societies. They have seen the replacement of ecnomic systems through the feudal and capitalist stages and have been constantly revised and enriched with the development of various commodity economies. Bankruptcy laws and some modern laws, such as the anti-monopoly law and laws concerning unfair competition and product responsibilities are important legal norms for regulating modern commodity economic regulations." [passage omitted]

Bankruptcy Laws Are an Inevitable Product of a Commodity Economy [subhead]

Why is it also necessary for publicly owned socialist enterprises to be involved in the enforcement of bankruptcy law? Gu Ming said: "The first reason is that at the socialist stage, it is still necessary to develop the commodity economy. To develop the commodity economy, it is necessary to have a market, to apply the law of value, and to pay close attention to such things as the relationship between supply and demand, profits, competition, and so on. Competition means survival of the fittest. the bankruptcy law that we are now formulating in accordance with the requirements of a socialist planned commodity economy is a means, or a tool, for putting an end to the practice of 'eating from the same big pot' and for developing our commodity economy. Second, at the socialist stage, we still cannot thoroughly eradicate enterprise bankruptcy. Enterprise bankruptcy is caused by many things, including 'leftist mistakes,' some of which have been the all-out construction of iron and steel plants; partially wrong policies; administrative interference; arbitrary orders issued by individual leaders; poor management; low efficiency; high cost; poor product quality; backward technology; lack of ability to survive competition; decadent bureaucracy; dereliction of duty; unlawful activities; and some enterprises being decieved by wrongdoers. In conclusion, enterprises may still go bankrupt at the socialist stage. this is an unavoidable fact. What we refused to accept in the past was the term 'bankruptcy.' It did not sound right to us. Actually, by allowing the very small number of enterprises which have wasted the country's resources to go bankrupt, and by stopping them from suffering losses year after year, we can protect the country's property and assets. Apart from this, the enforcement of a bankruptcy law can help enterprises transform pressure into a driving force, rouse themselves, and reorganize their work. In conclusion, the bankruptcy law is a means, not an end. Its purpose is to help enterprises improve management and their economic results, thus giving impetus to the development of social productive forces. Therefore, it can be said that the enforcement of a bankruptcy law is a way to improve things." [passage omitted]

Of course, in enforcing the bankruptcy law it is necessary to advanced steadily, to work carefully, to adopt concrete and specific measures, and to do some in-depth ideological work. In addition, it is also necessary to formulate specific enforcement regulations for different industries and different types of enterprises. However, the most important thing is to take the first step. Only by unremittingly applying it and summing up our experience can we enrich and improve on it. [passage omitted]

Finally, Gu Ming said: "I believe that enforcement of the bankruptcy law will provide a great shock to, and push forward, those enterprises which lose several billion yuan a year, and that it will enable the masses to supervise enterprises leaders, make people less bureaucratic, lead to technological advances, speed up technical transformation, help us improve business management , encourage competition and internal and external exchanges, make cooperation between people holding different posts closer, help us give play to the superiority of socialism, and speed up the development of social productive forces."

ZHAO GIVES INSTRUCTION ON COLD ROLLING MILL

OW170604 Shanghai City Service in Mandarin 0100 GMT 16 Dec 86

[Excerpts] A Model-2030 cold-rolling mill was completed by the Shanghai heavy-duty machinery plant and checked and accepted jointly by Chinese, FRG, Japanese, and American experts. The mill, a key state projct, is a part of the second-stage construction of the Baoshan Iron and Steel Complex. [passage omitted]

Premier Zhao Ziyang has repeatedly issued instructions on this large set of equipment. He pointed out the need to insure good quality and on-time delivery. On quality, he particularly called for setting very strict demands.

Leading comrades of the State Economic Commission, the Major Equipment Office and the ministries and bureaus concerned of the State Council repeatedly visited the heavy-duty machinery plant, and took part in production control meetings and in implementing the production plan. [passage omitted]

LI PENG GIVES INSTRUCTIONS ON HAINAN ISLAND WORK

HK240137 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 23 Dec 86

[Text] Li Peng, member of the Political Bureau of the CPC Central Committee, member of the Secretariat of the CPC Central Committee, and Vice Premier of the State Council, inspected and provided guidance for work in Hainan Island from 13 to 19 December. He stressed that Hainan must base its efforts on its own resources, gradually establish an economic structure with Hainan characteristics, and do a good job in development and construction.

Vice Premier Li Peng and his party visited Wanning, Lingshui, Sanya, Tongza, Qiongzhou, and Haikou. They went to overseas Chinese farms, scientific research bases, Li and Miao villages, construction sites of key projects, and a number of tourist spots. They also chatted with local party and government leaders and the masses of various nationalities.

On the morning of 19 December, Vice Premier Li Peng seriously listened to reports delivered by principal responsible comrades of the Hainan Regional CPC Committee and government, and gave instructions on the guiding ideas, strategic arrangements, and development plans for Hainan. Li Peng said: In the development and construction of Hainan, it is essential to preserve in seeking truth from facts and basing all efforts on reality. The region must take advantage of its strong points, avoid its weak ones, base its efforts on its abundant natural resources, and gradually establish an economic structure with Hainan characteristics. Given Hainan's beautiful scenery, we must in particular take advantage of its sunshine, sea, and beaches to develop winter tourism. The island must do a good job in planning for tourism and pay attention to economic results. Tourism facilities and scenic spots should be built up in a planned and measured way, and efforts should be made to achieve a big improvement in 3 to 5 years.

Vice Premier Li Peng also stressed that the leaders at all levels must implement the ideological line of seeking truth from facts, improve their work style, and do their work in a thoroughly sound way. They should not blindly compete with each other. In all work they must focus their vision on developing the economy and allowing the masses to become rich as soon as possible.

HAO JIANXIU ADDRESSES TEXTILE INDUSTRY CONFERENCE

OW231842 Beijing XINHUA in English 1453 GMT 23 Dec 86

[Text] Beijing, December 23 (XINHUA) — A Communist Party leader today urged Chinese textile industry officials to establish new concepts and step up technical transformation, so as to revitalize the industry.

Hao Jianxiu, member of the Secretariat of the Communist Party Central Committee, told participants to a textile industry national conference, which opened here today, to learn to use the economic lever in running production in a bid to replace the former administrative practice solely by mandatory orders.

Hao, once a textile worker and former minister of the textile industry, said that they must adopt the concept of quality first and the consumers first in order to meet the requirements of commodity production.

Enterprises should be encouraged to compete with each other and seek expansion and renewal through competition, she said.

She acknowledged that the main contradiction facing the textile industry today is that the quality and variety of its products can not keep pace with market demands. Therefore, great efforts must be made to raise the industry's technical standards, she said.

Priority should be given to key projects in technical transformation, she stressed, adding that efforts should also be made to attract more foreign capital and absorb advanced technology introduction from abroad.

According to the Ministry of Textile Industry, the industry has spent 2.1 billion U.S. dollars to import more than 30,000 sets of equipment since 1978.

China now boasts 24 million spindles. The total output value of the textile industry this year is expected to reach 115 billion yuan. At present, a Chinese consumes an average of 4.35 kilograms of fibre a year.

WAN LI INSPECTS CITY EXPERIMENTING WITH REFORM

HK020546 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 1 Dec 86

[Text] Accompanied by Governor Guo Zhenqian, Wan Li, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, inspected Shashi and Jingzhou on the afternoons of 28 and 29 November.

Comrade Wan Li first inspected Shashi's (Hongyan) little district, the model little district for residential houses in the country; the exhibition hall of industrial products of the Shashi Textile Industry Company; the Shashi Vacuum Flask Plant; and Shashi's East District Waterworks. He also delightedly drove a car on a tour of Shashi city.

He said that he passed through Shashi in 1949 and radical changes have taken place since then. He said: Your city is not only well-known for your fine-quality and famous-brand light industrial and textile products, but also leads other medium-sized and small cities in the country in building civilization.

Then Comrade Wan Li listened seriously to a report given by Shashi City CPC Committee Secretary (Wang Kaibing) on the overall situation in the city and delivered an important speech.

When (Wang Kaibing) reported on the relationship between enlivening a city and enlivening enterprises, Comrade Wan Li said that Shashi has made much progress in building the two civilizations and reforming the economic structure. To enliven cities and enterprises, we must properly handle the relationship between the state and enterprises and do a good job in distribution. First offering then taking is the best strategy; taking while offering is the middle strategy; and only taking and not offering is the worst strategy. Our policy is to let cadres of enterprises display their abilities and talents, to fully arouse the enthusiasm of all staff and workers, to remove all obstacles to enlivening the enterprises, and to genuinely create relaxed external conditions for enterprises.

When (Wang Kaibing) reported that some 42 state-run enterprises in Shashi have instituted the manager responsibility system, Comrade Wan Li emphatically pointed out that instituting the manager responsibiity system is imperative. It is necessary to establish the central role of managers as legal persons and to appoint good managers. Managers must have find qualities and democratic ideas. Meanwhile, we must explore a scientific and democratic management system under which managers have powers but are not tyrannical and can make correct policy decisions. It is necessary to genuinely establish the workers' role as masters of their plants. Workers have the right to decide who should or should not be managers. He expressed the hope that Shashi would explore a new scientific and democratic management system after instituting the manager responsibility system. He said: To build socialist modernization, we must not only have a high degree of material and spiritual civilization, but must also have a high degree of democracy and a sound legal system. We must establish and perfect local laws accordingly. Instituting the manager responsibility system and letting staff and workers manage plants in a democratic way must become a system and law. Only thus is it possible to prevent cadres from acting arbitrarily and avoid the appearance of local tyrants and is it possible to consolidate the achievements made in the reforms.

When (Wang Kaibing) reported that Shashi has vigorously promoted the lease contract system, the share system, the contract system, and the auction system, Wan Li said that all these are good forms to enliven enterprises and that it is necessary to have legal guarantees in order to genuinely separate the ownership from the operation right of an enterprise. In the meantime, it is necessary to establish social insurance to ensure that workers lead a secure life after they get old. The method of the state being fully responsible for workers' childbirth, old age, illness, burial arrangements, and social insurance is not the socialist method. We must draw a lesson from foreign countries' experience and take a new road in social insurance suited to China's national conditions.

Comrade Wan Li also delivered an important speech on how the role of people's congresses and CPPCC committees should be played. He said that city party committee secretaries and city mayors are the main public servants of a city. Before making a policy decision, the leaders of a city must heed opinions not only from people's deputies, but also from CPPCC committees. In the course of making policy decisions, they must conscientiously put themselves under the examination of people's congresses and CPPCC committees. The results from making policy decisions must be promptly reflected to the city people's congress and CPPCC committee so as to ensure people's rights in being masters of their own affairs and to maintain the close relationships between the party, the government and all democratic parties, workers, peasants, and intellectuals, and to avoid tyranny and bureaucratism.

In conclusion, Wan Li said: My speech at the central rural work conference was aimed not only at the rural areas, but also at the cities and the whole party. He hoped that Shashi, by taking advantage of being an experimental city in carrying out the comprehensive structural reform in the country, would boldly carry out practice, further speed up the building of the two civilizations and the democratic legal system, and genuinely lead other medium-sized and small cities in the country.

On the afternoon of 29 November, accompanied by Governor Guo Zhenqian and leading comrades of the Jingzhou Prefectural CPC Committee and Administration Office, Vice Premier Wan Li visited the ancient city of Jingzhou and a museum, and had cordial conversations with responsible comrades of the prefecture and county, expressing the hope that large Jingzhou would make more contributions.

WAN LI, LI PENG ADDRESS URBANIZATION CONFERENCE

HK020949 Beijing CHINA DAILY in English 2 Dec 86 p 3

[Text] The lack of support facilities is an outstanding problem faced by China in developing its cities, a national conference was told on Sunday.

Vice Premier Wan Li said at the All-China Urban Development Conference in Beijing that priority should be given to water supply, sewage system, roads, transportation, gas and central heating.

"We must be realistic and farsighted in planning for the future of our cities," Wan told the officials and experts attending the conference, which ended on Sunday.

"Urban infrastructure construction is essential not only for residents but also for industrial development" Vice Premier Li Peng said at the conference. "They should be given top attention, not set aside as non-productive items as was often done in the past.

"Money should be invested in the most essential infrastructure but not wasted on fancy ornamental projects," Li said.

He also pointed out the need to develop more small towns and cities because "they are more suitable to China's conditions." He added that it is necessary to formulate policies to encourage the economic and cultural development of smaller cities so as to absorb surplus labour from rural areas.

According to Ye Rutang, minister of urban and rural construction and environmental construction, the development of smaller cities and towns is now hampered by the marked gap in wages, living amenities, urban infrastructure and cultural and health facilities between them and the better-developed large cities.

"It is necessary to improve these conditions in the smaller cities and towns by taking new effective measures guided by state policies, so that they may truly perform key roles in the national economy," Ye said.

Li Peng spoke of the need to build more small towns around major cities to help "disperse the expanding urban population." He said these satellite towns will also help "co-ordinate urban and rural developments" in China.

China has witnessed a rapid growth of small cities and townships in the past few years. It now has 178 small cities and 7,511 towns, according to statistics released by the Ministry of Urban and Rural Construction and Environmental Protection, according to PEOPLE'S DAILY.

WAN LI, OTHERS MEET SHELTERBELT BUILDERS

OW111159 Beijing XINHUA Domestic Service in Chinese 1257 GMT 8 Dec 86

[By reporter Zhang Jianjun]

[Text] Beijing, 8 Dec (XINHUA) -- Wan Li, Xi Zhongxun, Hu Qili, Song Ping, and other leaders today met at the Great Hall of the People with all the representatives who attended a citation ceremony for advanced collectives and individuals in building "three norths" [north, northeast, and northwest China] shelterbelts. They also had a photo session with the representatives.

Wan Li said: Tremendous achievements have been made in building the "three norths" shelterbelts, and better ecological and economic results have been achieved. Building the shelterbelts is something that will benefit the people immensely. If the state, the collective, and the individual pool their efforts together and carry out the task in a down-to-earth manner, the land that accounts for 40 percent of our territory will gradually become prosperous.

Prior to the meeting, Yang Zhong, minister of forestry and deputy head of the leading group for building "three norths" shelterbelts, briefed the leaders on the first-stage project in building the "three norths" shelterbelt network.

After hearing the briefings, Xi Zhongxun pointed out that north, northeast, and northwest China has a great potential for development. Hu Qili pointed out the need to mobilize the people to carry out the task.

WAN LI, WANG ZHAOGUO VISIT TIBETAN ART SHOW

OW160413 Beijing XINHUA Domestic Service in Chinese 1339 GMT 15 Dec 86

[By reporter Yin Hongzhu]

[Excerpts] Beijing, 15 Dec (XINHUA) -- Exhibition of some 70 Tangka paintings from Garze Zang Autonomous Prefecture of Sichuan Province began at the Chinese Art Gallery today.

Tangka painting is a unique Tibetan art form, with its origin dating back earlier than the Tufan Dynasty in the seventh century. [passage omitted]

The visitors to the exhibition included Wan Li, Wang Zhaoguo, Ngapoi Ngawang Jigme, and Banqen Erdini Goigyi Gyancan; and responsible persons of the departments concerned Zhaxi Wangqug, Puncog Wangjie, Hua Junwu, Xicong, and Ge Weimo.

HU QILI ADDRESSES OVERSEAS PUBLICITY MEETING

OW071023 Beijing XINHUA Domestic Service in Chinese 1628 GMT 3 Dec 86

[By reporter Xu Xuejiang]

[Text] Beijing, 3 Dec (XINHUA) -- Hu Qili, member of the Political Bureau and the Secretariat of the CPC Central Committee, stressed that the ultimate purpose of China's overseas publicity work is to develop friendly cooperation, promote contacts, and enhance understanding between the Chinese people and people of other countries on the basis of equality and mutual benefit. He said this at a national meeting on overseas publicity work.

He called on all overseas publicity and foreign liaison departments as well as party members across the country to achieve a breakthrough in the work in order to adapt themselves to the new situation of reform and opening to the outside world.

The national overseas publicity work meeting, which was convened under the joint auspices of the Propaganda Department of the CPC Central Committee and Central Overseas Publicity Group, was held in Beijing 26 November - 3 December. Hu Qili spoke at the meeting on 2 December.

He said: It is China's steadfast basic national policy to open the country to the outside world. China's opening to the world is an irresistable historical trend. The Chinese people have learned from contemporary history and from Chinese history that if it rejects advanced foreign science and culture, it is impossible for a country to seek development and progress. A country closed to the outside world can only stagnate. Therefore, we should make determined and vigorous efforts to study advanced science and technology, as well as universally applicable economic and administrative management experience and other useful culture, of the contemporary world in order to facilitate the Chinese nation's march toward the world's advanced socialist material and spiritual civilization.

Hu Qili said: Overseas publicity is an objective demand of countries and peoples in the world in their efforts to seek their own development and progress through mutually beneficial communication.

It is also an objective demand of peoples of various countries to safeguard world peace and the progress of the human race as a whole. We will abide by the principle of noninterference in other countries' internal affairs in explaining, in unequivocal terms, China's firm stance on building socialism with Chinese characteristics.

Hu Qili stressed in particular the importance of knowing the object of the publicity. He said: One weakness of China's overseas publicity work is that the foreign service is simply copying the domestic press. Values, esthetics, ways of thinking, psychological features, religious beliefs, customs and manners, languages, and habits vary between countries and peoples. If Chinese overseas publicity workers fail to pay attention to this and follow the same pattern in their work, it will be difficult for them to contribute fully to understanding between the Chinese and foreign peoples.

Calling on the overseas publicity workers to follow strictly the principle of seeking truth from facts, Hu Qili said: Without a factual presentation, publicity will be lifeless. For a true picture of China, it is necessary to present the country as it is — achievements as well as problems and difficulties. The main theme of this picture should be the historical breakthrough achieved by the Chinese people and the irresistible pace of progress in the country. Leaving out this main theme and depicting only mounting problems can produce pessimism and disappointment. However, if we stress only the positive and ignore difficulties and problems in the course of advancing, we will not be able to thoroughly solve problems, overcome difficulties, and achieve progress. On this question, we must be sober-minded and have a clear understanding that China is a developing country, concentrating on economic construction, but suffering setbacks and errors in work from time to time. We should be modest now and even several decades from now when we economically catch up with intermediately developed countries.

He said: It is also necessary to guard against a tendency to both historical and national nihilism, describing ourselves as totally incapable. It would be unrealistic to call ourselves perfect, and even more so to say we are incapable in everything.

Hu Qili said: To present a truthful picture of China, we must improve the style of writing. Despite recent progress, problems continue to exist. Among them are empty talk, preconceived conclusions, flowery language, exaggeration, and cliche. It is essential to give facts and let the audience draw their own conclusions on the basis of facts, which speak louder than words, after all.

Zhu Muzhi, leader of the Central Overseas Publicity Group, gave a work report at the meeting. He said: After the founding of New China, the Chinese people's past images of ignorance, backwardness, poverty, and the "sick people of East Asia" have changed, and the damage to China's image by the "Cultural Revolution" has also been gradually repaired, thanks to efforts in recent years. Now, in order to open the country to the outside world, enhance understanding, and develop friendly exchange and mutually beneficial cooperation between the Chinese people and peoples of other countries, it is essential to present an overall and in-depth picture of China to the world and eliminate historical prejudices and misunderstanding, misgivings, and erroneous impressions caused by lack of information or errors in our work.

He said: Using facts, we must tell the people of the whole world that China is a peace-loving country, resolutely fighting against war and hegemonism; that it sticks to its open policy, opening the country not only to Western but also Third World and East European countries and the Soviet Union; that it lives up to its promises, stresses principle, and takes an impartial stance in international affairs; that it persists in seeking truth from facts and proceeds from reality in integrating the principles of Marxism with the actual conditions of China and dares to blaze a new path and jettison all impractical outdated concepts; that it practices socialist democracy and is improving its socialist legal system; that it perseveres in the goal of serving and showing affection for the people and practices of socialist humanism; and that the Chinese people have ideals, stress ethics, are industrious and brave, and are united as one in striving to reinvigorate the Chinese nation and build socialism with Chinese characteristics.

During the meeting, State Councillor and concurrently Foreign Minister Wu Xueqian and State Councillor Gu Mu spoke at the meeting. Participants exchanged experience in overseas publicity among various departments and localities.

HU QILI ADDRESSES FORUM ON 'CIVILIZED CITIES'

OW170512 Beijing XINHUA Domestic Service in Chinese 1307 GMT 16 Dec 86

[By RENMIN RIBAO reporter Duan Cunzhang and XINHUA reporter Zhang Yanping]

[Excerpts] Beijing, 16 Dec (XINHUA) -- At a 15 December forum on the building of civilized cities, Hu Qili, member of the Political Bureau and Secretariat of the CPC Central Committee, said: Building a civilized city is a kind of comprehensive and coordinated work, and the building of spiritual civilization is a component part of the overall plan for building such a city. The party secretary should concern himself with this work, so should the mayor, and so should the propaganda and other departments. This work can be effectively done only when it is done in coordination with reform and all other work.

This forum, which opened in Beijing on 13 December, was sponsored by the Propaganda Department of the CPC Central Committee to implement the "Resolution of the Central Committee of the Communist Party of China on the Guiding Principles for Building Spiritual Civilization."

At yesterday's forum, Hu Qili said: It is necessary to improve regulations on city management, to institutionalize such management, and to write it into law. He emphatically pointed out: Practical things should be done every year to build civilized cities.

In his speech, Hu Qili fully affirmed the achievements and fresh experiences gained by the masses in building spiritual civilization in various parts of the country since the 12th CPC National Congress. He said: The experiences introduced at this forum by comrades from Beijing, Shanghai, Tianjin, Chongqing, Harbin, Changzhou, and Shashi cities are very good.

Responsible persons of 20 big and medium-sized cities and representatives of relevant departments, ministries, and commissions under the CPC Central Committee or the State Council attended the forum. [passage omitted]

Director Zhu Houze and Deputy Directors Wang Daming and Teng Teng of the CPC Central Committee Propaganda Department were present at the forum.

HU QILI URGES IMPROVEMENTS IN BUILDING CULTURE

OW171647 Beijing XINHUA in English 1448 GMT 17 Dec 86

[Text] Beijing, December 17 (XINHUA) -- Senior party leader Hu Qili urged all cities to make solid improvements in the drive to build a high level of socialist ideology and culture.

He made the call at a forum held by the Chinese Communist Party Central Committee's Propaganda Department on how to carry out the party's resolution on the guiding principles for building a high level of socialist ideology and culture.

Officials from 20 major cities in the country attended the forum which began last Saturday.

The work to improve city management and social ethics should go side by side with the economic reforms, Hu said, adding that each city should do some solid work in a down-to-earth manner every year.

"All government and party departments must work on this effort," said Hu Qili who is a member of the Political Bureau of the Chinese Communist Party Central Committee and member of the Central Committee's Secretariat.

Participants in the forum agreed that all cities should show greater improvement in promoting good professional and social ethics, public order and sanitation, and in encouraging cultural and sports activities of mass participation and spreading popular science.

Commenting on the subject, today's PEOPLE'S DAILY urged major cities to do a good job of what the people are most concerned with and of what effect the people's life most so as to further consolidate the social untiy and stability and arouse the enthusiasm for work of the ordinary people.

Major cities are models for other places to follow, the commentary said. If they do well, the grand goal of achieving a high level of socialist ideology and culture in the whole country is sure to be attained.

HU QILI, SONG JIAN AWARD MEDICAL SCIENTISTS

OW111224 Beijing XINHUA Domestic Service in Chinese 1215 GMT 8 Dec 86

[By reporter Zou Peiyan]

[Excerpt] Beijing, 8 Dec (XINHUA) -- Hu Qili, Liao Hansheng, and Song Jian today awarded prizes to 51 middle-aged and young scientists and technicians working in the field of research on tumor prevention and treatment. The prizes were awarded for their excellent theses presented at the first national meeting of middle-aged and young people on exchanging experience in medical sciences (oncology).

Hu Qili said today that an important condition for achieving successes in reform and the four modernizations is the creation of an environment in which middle-aged and young talented people can show their ability. [passage omitted on China's success in tumor research]

DENG LIQUN MEETS JIANGXI PEASANT PHOTOGRAPHERS

OW040439 Beijing XINHUA Domestic Service in Chinese 1306 GMT 2 Dec 86

[By reporter Huang Zhenggen and correspondent Chen Quanyi]

[Text] Beijing, 2 Dec (XINHUA) -- Since the peasants in Shanggao County, Jiangxi Province, became prosperous, some 360 of them are using the camera -- a tool they never dared to use in the past -- to record their new life and today's subjects and features. They have formed a peasant photographer contingent, which is well-known both inside and outside the province.

This morning at Zhongnanhai, Deng Liqun, member of the Secretariat of the CPC Central Committee, met and had cordial conversations with 13 peasant photographer representatives, who had come from the banks of the Jin Jiang in Jiangxi.

Last April, the results of the first national peasant photographic contest were published. The photograph "Spring Tide," by peasant photographer Ding Wenwen of Jinjiang Township, Shanggao County, won a gold medal. "Spring Tide" is a vivid and meaningful work. It shows a number of white ducks on a black dike, looking as if there were a white wave on the riverbank. With the mood of a fine melody, it looks like a surge on a frozen river after the spring thaw. This is an ode in artistic from to the party policy, which washes away poverty and ushers in affluence, just as the spring wind thaws the frozen river. After seeing this photograph, Comrade Deng Liqun could not help praising it. He encouraged the peasant photographers to take full advantage of the fact that they live among the people to probe further into the people's daily life and focus their lenses on new subjects and lifestyle as a way to contribute to the building of the two civilizations.

It is reported that, during the last 3 years, the peasant photographers of Shanggao County have published 570 works, including news photographs, in various newspapers and journals, and offered nearly 1,000 works for exhibit at and above county level.

At the request of the Exhibition Department of the Chinese Photographers Association, 106 works by peasant photographers from Shanggao County are being displayed at an exhibition in Beijing, which started on 28 November and will end on 13 December.

HU QIAOMU ADDRESSES SHANGHAI FACTORY CADRES

OW220005 Beijing XINHUA Domestic Service in Chinese 0909 GMT 21 Dec 86

[By reporters Chen Maodi and Luo Kangxiong]

[Text] Beijing, 21 Dec (XINHUA) -- Recently, when talking with plant director and party committee secretaries of some factories in Shanghai, Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, emphasized: Since the introduction of the of system of plant directors assuming responsibility, plant directors of state-owned enterprises have been placed at the center of these enterprises. In carrying out their work, they should exercise party and government leadership and make all-round efforts to implement party and government policies, including enlivening the domestic economy and opening to the outside world. They should also cooperate positively with the secretaries of party committees to make a success of ideological and political work.

Early this month, Hu Qiaomu conducted investigations and studies at two state-owned plants in Shanghai. He also talked with plant directors and party committee secretaries of some factories and grass-roots party members on separate occasions. He said: In state-owned enterprises, a good, competent plant director must concentrate his efforts on developing production, improving management, raising product equality and competitiveness, expanding the scope of operation, and ensuring economic benefits for his enterprise. At the same time, he must do successful political and ideological work among staff members and workers, safeguard their vital interests, and properly train and evaluate cadres according to the cadre policy established by the party and government and in the light of the actual situation in his enterprise. The entrepreneurs of our state-owned enterprises are socialist entrepreneurs. They have the responsibility to serve not only the interests of their enterprises and their staff members and workers, but also the interests of the state. They must try to coordinate and take care of the interests of all these three parties.

Addressing the secretaries of plant party committees, Hu Qiaomu said: The party and government are deeply concerned about the work of party committees, including their political and ideological work. Our party has an excellent contingent of political work cadres, who have contributed significantly to ensuring the steady development of enterprises and heightening the political consciousness of their staff members and workers. With the continued deepening of the reform program, it is, of course, necessary to adjust the qualifications for those engaged in ideological and political work in enterprises as well as the organizational structure and style for doing this work so as to suit still better the needs of modern enterprise management. The plant director, party committee secretary, and trade union chairman must unite as one and make joint efforts for the healthy development of the enterprise.

In some enterprises, grass-roots party organizations and party members observed that at present there are rather few party members and young party members at the forefront of production. Hu Qiaomu said that this is a major problem faced by party organizations of state-owned industrial enterprises at this time, and that every effort must be made to remove obstacles to admitting advanced youths into the party. We must promptly absorb qualified young people into our party, he added.

XI ZHONGXUN ON INDEPENDENCE OF CATHOLIC CHURCH

OW281404 Beijing XINHUA in English 1313 GMT 28 Nov 86

["Party leader: Chinese Catholic Church Must Remain Independent" -- XINHUA headline]

[Text] Beijing, November 28 (XINHUA) -- China's Catholic Church must remain independent from the Vatican, a senior Communist Party leader said today.

Xi Zhongxun, a member of the party's Political Bureau, told more than 200 Chinese Catholics meeting in the Great Hall of the People that the Vatican "must respect the principle of self-government of the Catholic Church in China."

China has no diplomatic relations with the Vatican.

"The Vatican must break off its diplomatic relations with Taiwan, recognize the People's Republic of China as the only legal government of China, and stop interfering in China's internal affairs," Xi said.

Xi was speaking to a joint session of the fourth congress of the China Patriotic Catholic Association, and the second congress of the Chinese Catholic Church National Administrative Commission.

The groups' two-week meeting ends Saturday.

China has 3.3 million Catholics. Since 1980, when there was one functioning Catholic Church in China, more than 1,900 Catholic Churches have been reopened.

There are seven seminaries and a dozen convents in China. From 1982 to 1985, the Catholic Church in China elected and consecrated 22 bishops in 20 dioceses across the country.

[Beijing domestic service in Mandarin at 1200 GMT on 23 November carries a 2-minute report on Xi Zhongxun's meeting with representatives of the Chinese Catholic Church as noted above, adding that Qiao Shi was also present on the occasion]

XI ZHONGXUN ON IMPORTANCE OF DEMOCRATIC PARTIES

OW031835 Beijing XINHUA in English 1459 GMT 3 Dec 86

[Text] Beijing, December 3 (XINHUA) -- China's democratic parties and consultative organizations should play a greater role in the country's political life and are important to the ongoing reform of the political system, a senior Communist Party official said here today.

Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee, said multi-party cooperation under the leadership of the Communist Party and the People's Political Consultative System is one of the characteristics of China's socialist political system.

Democratic parties have participated in exercising state power, the management of state affairs and made important contributions to the reunification of the country, Xi said.

It is wrong, therefore, to consider democratic parties as something which has been put up just for appearance or something which is dispensable, he said.

"Each of the democratic parties has its own characteristics and represents the interests of a certain social status or social group. They should exist for a long time under the socialist system," Xi added.

Over the past few years, Xi noted, the Central Committee of the Communist Party attached great importance to the role of these parties and conferences in the country's political life. They have been consulted upon when making major policies and their opinions and criticisms were sought during the process of implementing these policies.

Xi urged Communist Party committees and people's governments at various levels to help non-communist parties and political consultative conferences work independently, create favorable conditions for them to participate in state affairs and bring their role as supervisors into fuller play.

The key to all this, he said, is to "create a democratic, equal and harmonious political environment", he stressed.

Communist Party committees and people's governments should fully respect people's right to voice their views. They should let people speak and listen to various opinions, especially different ones.

"They should not be surprised when there are some inappropriate ideas. Instead, they should adopt democratic measures to solve these problems," Xi said.

"Leaders within the Communist Party should subject themselves to the supervision of the non-communists. They should study carefully their criticisms and suggestions, adopt the correct ones while giving honest answers to others," Xi said.

This is an important way to "overcome bureaucracy, set the party's style to right and improve the efficiency of the party and the government", he said.

XI ZHONGXUN ADDRESSES RALLY FOR XIAN INCIDENT

OW120922 Beijing XINHUA in English 0842 GMT 12 Dec 86

[Text] Beijing, December 12 (XINHUA) -- Mass rallies to mark the 50th anniversary of the Xian Incident were held in Beijing and Xian, capital of Shaanxi Province, this morning.

On December 12, 1936, Zhang Xueliang and Yang Hucheng, both patriotic Kuomintang generals, used military force to compel Chiang Kai-shek to stop the civil war and cooperate with the communists against the Japanese invaders.

Speaking at the mass rally in Beijing, Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party Central Committee, praised the Xian Incident as a historical turning point.

"The Xian Incident played an important role in pushing the modern Chinese history forward," he said. "The contributions to the liberation of China made by the two national heroes will be recorded in history and always remembered by the Chinese people."

Xi noted, "Historical events have proved that cooperation between the Kuomintang and the Chinese Communist Party will benefit the progress of the Chinese nation as well as the two parties."

He said that China's reunification will surely be realized with joint efforts made by the sons and daughters of all its nationalities.

XI ZHONGXUN, OTHERS ATTEND MUSIC PERFORMANCE

OW212116 Beijing XINHUA Domestic Service in Chinese 1615 GMT 20 Dec 86

[Text] Beijing, 20 Dec (XINHUA) -- A concert of Zheng Lucheng's Music, with the "Eighth Route Army Song" as the "Prelude," was held in the Beijing Concert Hall this evening. Among the full house audience were Comrades Xi Zhongxun, Yu Qiuli, Wang Zhen, and Hoang Van Hoan. [passage on music omitted]

QIAO SHI ON NATIONAL HANDICAPPED SURVEY

OW160522 Beijing XINHUA Domestic Service in Chinese 0834 GMT 13 Dec 86

[By reporter Sun Yong]

[Text] Beijing, 13 Dec (XINHUA) -- Speaking at the national meeting on surveying the number of the nation's handicapped people -- a meeting which concluded today -- Qiao Shi, member of the Political Bureau of the CPC Central Committee and vice premier, urged people's governments at all levels, all relevant departments, and people of all walks of life, as well as all families involved in the survey, to work in close coordination with each other to make the survey, to be conducted in the country next April, a complete success.

Qiao Shi said: China is inexperienced in serving handicapped people as it has engaged in this work for only a short time. Knowing how many handicapped people there are in our country is of great practical significance for improving service in this area in the future.

Qiao Shi pointed out: Serving the handicapped is a long-term project for the country. China has the fine tradition of respecting and caring for handicapped people. The superiority of socialism can be fully demonstrated if we do a good job in this area at a time when the nation's economy has not yet been highly developed. Qiao Shi urged all the participants in the meeting to report what was discussed at the meeting to local party and government organs, saying that people's governments at all levels must support the project with positive efforts.

Cui Naifu, minister of civil affairs, made a concluding speech at the meeting.

FANG YI ON HAINAN'S DEVELOPMENT, CONSTRUCTION

HK110401 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 9 Dec 86

[Text] According to Hainan radio, while inspecting work in Hainan Island, Fang Li, member of the Political Bureau of the CPC Central Committee and state councillor, pointed out that as long as Hainan's strong points in natural resources are brought into full play, there will be greater prospects for speeding up the development and construction of Hainan. Comrade Fang Yi inspected work in all areas of Hainan Island from 30 November to 8 December. In the course of inspection, Comrade Fang Yi pointed out that Hainan must develop its strong points. In particular, it should speed up the exploitation of ilmenite in the sea. The ilmenite reserves of Hainan tops the country. The State Scientific and Technological Commission must dispatch some specialists to Hainan to solve tough scientific and technological problems, to improve technological renovation, and to actively bring in talented people. During his inspection tour, at the invitation of the Hainan Metallurgical Bureau, Comrade Fang Yi delightedly wrote some words of encouragement: develop non-ferrous metal industry, invigorate Hainan.

YU QIULI APPROVES AWARD FOR PLA RESEARCHERS

OW160209 Beijing Domestic Service in Mandarin 1200 GMT 12 Dec 86

[Text] PLA Plant No 2601 has succeeded in developing a new photo developing and printing machine. General Political Department Director Yu Qiuli today approved commendation and awards for those who contributed to the success.

SONG PING INSPECTS HENAN CONSORTIUM PROJECT

HK040229 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 3 Dec 86

[Text] Song Ping, state councillor and chairman of the State Planning Commission, and his party inspected the Jiaozuo aluminum, coal, and electricity consortium project in Henan from 30 November to 2 December. They were accompanied by Governor He Zhukang and Vice Governor Hu Tiyun. The State Planning Commission is preparing to give this project separate listing in the state plans on a trial basis. This represents a pilot project in reform of the state planning setup.

Comrade Song Ping listened to detailed reports on the preparatory work done at Jiaozuo and Xinxiang. Braving the bitter wind, he then saw for himself the plant sites, water resources, and railroad facilities of this project. He also held a forum with engineers and designers. During his inspection, Comrade Song Ping said happily: this is a good place. The resources are abundant, the physical features good, and communications convenient. The conditions for building the plants are fine. He said: This is an ideal spot for establishing a comprehensive aluminum and electric power industrial base.

On the evening of 2 December, accompanied by Provincial CPC Committee Secretary Yang Xizong and Vice Governor Hu Tiyun, Comrade Song Ping watched a performance given by the Zhengzhou Henan Opera Troupe in the Henan People's Theater. The leading comrades went up onto the stage after the performance and were photographed with the performers as a memento.

SONG JIAN AT CONFERENCE ON ARCHIVE REGULATIONS

OW181842 Beijing XINHUA in English 1531 GMT 18 Dec 86

[Text] Beijing, December 18 (XINHUA) -- China is preparing a law governing the collection, arrangement, storage and access to archives, Han Yuhu, director of the State Archives Bureau, told XINHUA today. A national conference which opened here today will discuss and approve another three regulations on the management of science and technology archives.

Speaking at the conference, State Councilor Song Jian said on behalf of the State Council: "We should make legally clear the social position of archive work and its relationship to other departments of economic construction."

"Further efforts should be made to improve the archive systems, and to prepare and promulgate laws and regulations in this field," he said.

Frequent losses of precious records have been reported over the past few years due to careless management of archive systems and regulations, an official from the State Archives Bureau said.

Of the 146 large and medium-sized cities throughout the country, 112 have set up their own archives dealing with urban construction since 1980.

Bureau sources said all archives across the country are now open to the public. In 1985 alone, about 3.6 million people consulted the archives.

SONG JIAN ON SCIENTIFIC, TECHNOLOGY ARCHIVES

OW191355 Beijing XINHUA Domestic Service in Chinese 1255 GMT 18 Dec 86

[By GUANGMING RIBAO reporter Liu Guowei and XINHUA reporter Meng Xiangjie]

[Excerpts] Beijing, 18 Dec (XINHUA) -- At the national conference for the Management of Science and Technology Archives which opened today, Song Jian, state councillor and minister of the State Scientific and Technological Commission, said: In doing work dealing with science and technology archives, we must give top priority to economic results, develop resources for building archives, and serve today's and tomorrow's economic construction.

He said: Paying no attention to economic results is a major drawback in China's old system and traditional concpets. In the course of carrying out reform and opening the country to the outside, we must also reform the science and technology archives work and open the archives to the general public. It is wrong to think that archives work involves merely keeping historical documents and doing clerical work. Science and technology archives play an important role in promoting political, economical, cultural, scientific and technical, and educational progress. Workers in the field of science and technology archives must clearly foster the concept of improving economic results for the state.

Song Jian stressed the need to strengthen legislative work in setting up archives and make legally clear the social position of archive work. [passage omitted]

This conference was jointly sponsored by the State Economic Commission, the State Planning Commission, the State Scientific and Technological Commission, and the State Archives Bureau in Beijing. Attending the conference were nearly 1,000 science and technology archives workers from all parts of the country.

SONG JIAN VISITS SATELLITE GROUND STATION

OW160355 Beijing XINHUA Domestic Service in Chinese 0759 GMT 15 Dec 86

[By Central People's Broadcasting Station reporter Xu Yongqing and XINHUA reporter Li Anding]

[Text] Beijing, 15 Dec (XILNHUA) -- While visiting the Mentougou Satellite Ground Station in Beijing today, Song Jian, minister in charge of the State Scientific and Technological Commission, held a telephone conversation with comrades of the Nanjing Communications Engineering Institute via a communications satellite over the Pacific Ocean. He found the conversation, which covered a distance of 7,200 kilometers [figure as received] there and back, to be very clear.

The conversation was conducted this morning at the opening of a national exhibition of small communications, data, and television receiving stations.

Satellite communications have the advantage of being able to cover long distances over vast areas and to function in a stable and reliable manner.

Sponsored by the office of the Leading Group for the Development of Electronics Industry under the State Council and other units, the exhibition featured small communications, data, and television receiving stations. All the exhibits were ground-based and most of them produced domestically. The largest antenna measured 7.5 meters across and the smallest, 1 meter. A total of five communications satellites were put to use or hired for this exhibition.

It is learned that China has made rapid progress in developing satellite communications. Television ground receiving stations alone will have totaled 2,050 by year's end. On display at today's exhibition was a XINHUA ground station for transmitting Chinese news dispatches. About the size of a suitcase, this ground station can, in a couple of seconds, transmit news dispatches, photos, and all kinds of data and information via satellite to more than 4,000 news agencies and radio stations with small data stations in China, Southeast Asia, and Japan.

SONG JIAN ENCOURAGES EXPORT OF TECHNOLOGY

OW211020 Beijing XINHUA in English 0641 GMT 21 Dec 86

[Text] Beijing, December 21 (XINHUA) -- China is encouraging its localities and departments to export technology, State Councillor Song Jian is quoted by "PEOPLE'S DAILY" as saying today.

Speaking at a meeting to welcome a Chinese delegation which just returned from the 35th Eureka World Invention Fair held in Brussels of Belgium in mid-December, Song said export of technology will become an important part in China's foreign trade with its economic development and scientific progress.

The delegation signed five-year technical and trade agreements involving 50 million U.S. dollars and concluded 55 letters of intent on technical transfer, cooperative production, joint venture and acting as a commission agent or the sole agent for a production unit at the fair.

"This is a good beginning," Song Jian, also the minister in charge of the State Science and Technology Commission, commented. "From now on, scientific activities must combine with economic operations such as opening exhibitions abroad and arranging technology export, thus our scientists and technicians are required to work hard to improve economic efficiency and management," he added.

According to the minister, technological export must focus on industrialized technology.

SONG JIAN SPEAKS ON SATELLITE COMMUNICATIONS

OW220149 Beijing XINHUA Domestic Service in Chinese 1134 GMT 21 Dec 86

[By reporter Yang Jigang]

[Text] Beijing, 21 Dec (XINHUA) -- China has made significant development in transmitting TV programs via satellite since a year ago and will make similar progress in developing satellite communications and transmitting information data through satellite ground stations from now on, State Councillor Song Jian said at a national meeting on the application of satellite communications at selected points which opened in Beijing today.

Song Jian said: The work of transmitting TV programs via satellite has developed rapidly because the state is attaching great importance to it. The number of TV receiving stations has increased from 53 in autumn last year to more than 2,000 at present. A satellite ground station has started to transmit central educational programs in October as well as program No 1 of the Central Television Station. Starting in February next year, economic information programs, including agricultural science and technology and Spark Plan programs, will be added to it.

The 4-day meeting has been convened jointly by the offices of the Leading Group for the Development of Electronics Industry and the Satellite Communications Group under the State Council. More than 180 representatives from various provinces, municipalities, autonomous regions, and cities as well as concerned ministries and commissions of the central authorities attended the meeting. They will discuss and study how to promote the application of satellite communications technology in our country.

Vice Premier Li Peng of the State Council sent a special greeting letter to the meeting. He hoped that satellite communications will be extended from large cities to medium and small cities, remote cities, large plants and mining enterprises, and construction sites. He also hoped that satellites will play a diversified role, not only in transmitting TV programs but also in developing modern communications with greater, faster, better, and more economical results.

Song Jian pointed out: China has a big market for using satellite communications and information data. The various enterprises should make thorough investigations so as to promote the application of satellite communications.

He said: Satellite communications should serve the need of the various sectors of the national economy, of open cities in the coastal areas, and of township enterprises in the vast rural areas. In addition, we should train technical and management personnel.

Song Jian said: The central and local government departments concerned should cooperate with enterprises and carry out satellite communications work with joint funds. The governments at various levels should support enterprises and research institutes in designing and manufacturing satellite communications equipment. In addition, we should attach importance to importing up-to-date satellite communications technology and scientific management knowledge from abroad, and cooperate with foreign firms in manufacturing related products.

At today's meeting, Tang Bingwu, responsible person of the office of the State Council's Leading Group of the Development of Electronics Industry, explained our country's plan for developing satellite communications during the "Seventh 5-Year Plan."

GU MU ADDRESSES NINGBO DEVELOPMENT FORUM

OW290329 Beijing XINHUA Domestic Service in Chinese 1317 GMT 28 Nov 86

[By reporter Huang Chufeng]

[Text] Beijing, 28 Nov (XINHUA) -- Speaking today at the fourth meeting of the State Council's Coordination Group for Ningbo's Economic Development, State Councillor Gu Mu pointed out: Ningbo is a major Chinese port city. We must fully mobilize all forces at home and abroad to develop Ningbo. We must actively introduce investment from abroad and develop lateral ties at home to develop this port city.

Gu Mu said: Full-scale economic development in Ningbo began last year. Within 1 year Ningbo University, which was built with funds donated by Mr. Yue Kong Pao, was basically completed and has opened according to schedule. Progress has been made in the initial feasibility study on the Beilun Iron and Steel Company. Port and power plant construction has progressed more rapidly. Zhejiang Province and the State Council's departments concerned have made tremendous efforts toward Ningbo's development.

Gu Mu pointed out: Development of Ningbo City involves tremendous work. It is not an easy job to carry out intrastructure construction, provide needed building materials and daily necessities, and ensure the simultaneous construction of principal and auxiliary projects. Various State Council departments should actively coordinate with the province and the city to carry out the work.

The meeeeing heard a report on Ningbo's economic development in 1986 and its plan for 1987. It also discussed and studied questions related to the Beilun Iron and Steel Plant, the transshipment of imported ores through Ningbo's Beilun Port, and Ningbo City's economic structural reform. Responsible comrades of the relevant State Council departments of Zhejiang Province and of Nangbo City, as well as Mr. Yue Kong Pao, adviser to the Coordination Group, attended the meeting.

GU MU MEETS ECONOMIC DEVELOPMENT ADVISOR GOH

OW170113 Beijing XINHUA Domestic Service in Chinese 1253 GMT 15 Dec 86

[By reporter Cai Dongshi]

[Text] Guangzhou, 15 Dec (XINHUA) -- State Councillor Gu Mu met with Dr Goh Keng Swee, advisor to the Chinese Government on coastal economic development and tourism, and listened to his opinion on China's acquisition and use of foreign capital yesterday afternoon in Guangzhou. Gu Mu said that we shall strive to create an "atmosphere" to attract foreign investment.

Dr Goh Keng Swee arrived in China on 19 November. He has successively studied the management of enterprises with foreign investment in Beijing, Tianjin, Shanghai, and Guangzhou. He told Gu Mu that, according to recent observations, the situation for China's acquisition and use of foreign capital is much better than the foreign press has reported; and that China's policies concerning the opening to the outside world, including the recently-promulgated "State Council Provisions on Encouraging Foreign Investment," which is also known as the "22-Point Provisions," are absolutely correct. However, he said, a great deal of work remains to be done to implement those policies. Dr Goh Keng Swee discussed his suggestions in detail.

Gu Mu said: We have just taken the first step in soliciting and using foreign capital and developing economic cooperation with foreign countries. There are indeed many problems in this work, and future problems are unavoidable. However, we must resolutely implement the "22-Point Provisions," firmly improve the environment for investment, and properly manage enterprises using foreign investment, no matter how many difficulties we encounter. Detailed rules, based on the guidelines of the "22-Point Provision," will be successively promulgated to create an "atmosphere" to attract foreign investment. We should provide macroeconomic guidance to enterprises with foreign investment, and make overall arrangements to link those enterprises to our national economic development plan. At the same time, we should create the necessary conditions for the enterprises with foreign investment to operate, and give play to their role as an useful supplement to our economy.

GU MU PRAISES GUANGZHOU DEVELOPMENT ZONE

OW200134 Beijing XINHUA in English 1613 GMT 19 Dec 86

[Text] Guangzhou, December 19 (XINHUA) -- Chinese leader Gu Mu encouraged the Guangzhou Economic Development Zone to lead China in creating an ideal climate for foreign investors.

While inspecting the economic development zone in the capital of Guangdong Province Tuesday, Gu Mu, state councillor in charge of China's opening to the outside world, told local officials, "I can hardly imagine you've created such fine investment conditions within less than two years."

According to zone officials, the 9.6 square kilometer zone has already completed major infrastructure projects since its development started two years ago.

Among the new facilities are 15 kilometers of roads, computer-controlled telephone switchboards with a capacity of 1,000 lines, 150,000 square meters of factory space, hotels, department stores and apartment buildings. Two generating units with a combined capacity of 19,000 kilowatts will go into operation early next year.

Chinese and foreign firms have opened 135 businesses in the zone, and the area is expected to manufacture 44 million yuan (12 million U.S. dollars) worth of goods this year and export products totalling 14 million U.S. dollars.

WANG MENG DISCUSSES CULTURAL DEVELOPMENT

OW121146 Beijing Domestic Service in Mandarin 0630 GMT 7 Dec 86

["Sunday lecture program": Talk by Wang Meng, minister of culture: "Unswervingly Strengthen Cultural Development"; date, place not given -- recorded]

[Excerpts] Today I would like to discuss the issue of cultural development. Taking economic construction as the key link, we are to continue to reform our economic and political structures and to strengthen the building of spiritual civilization, making sure that these aspects of our work are coordinated and promote each other. This is the overall scheme of our country's socialist modernization. In accordance with this overall scheme, the 6th Plenary Session of the 12th CPC Central Committee adopted the Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization.

The resolution emphatically points out: The spiritual civilization gives intellectual impetus and support to the development of a material civilization and provides a powerful guarantee for its correct orientation. Our success in building socialism depends on our effort to build a socialist spiritual civilization.

This shows that all our present undertakings center on construction. [passage omitted] This also includes cultural development. This means that our cultural undertakings should center on positive cultural development, not on negative criticism and struggle.

Culture is an important condition for the building of a material civilization as well as for the improvement of people's thinking and morality. In his report to the 12th CPC National Congress, Comrade Hu Yaobang said that the fundamental aim of socialist production and construction is to meet continuously the growing material and cultural needs of the people. This means that socialism is aimed at making it possible for the people to live not only an abundant material life but a rich, decent cultural life. [passage omitted]

Since nationwide liberation, our socialist culture has developed considerably. However, indisputable facts show that our cultural development is still far from meeting the needs of the people and falls rather short of the standard our great socialist country should have. Benighted and unhealthy tendencies still prevail in society, and many young people are eager to live a cultural life -- their cultural needs are not satisfied. This phenomenon can be described as cultural hunger, which our cultural departments must face up to.

In the 10 years of turmoil, some young people were unable to receive cultural and moral education as they should have. So their cultural quality is low. This has led to benightedness, being uncivilized, and even crime.

On the other hand, the idea of sticking to old ways, outmoded conventions, bad customs, and the decadent influence of feudalism, small producers' ideas, and capitalism hinder the development of reform. To overcome all this, it is necessary to have a given cultural standard and a new concept and type of culture. To meet the requirements of the reform, we should develop a new way of thinking, life, and activity. All this depends on the improvement of the whole nation's cultural standard. Therefore, it can be said that vigorously strengthening cultural development is a major issue that concerns the building of a modern, powerful socialist state: The happiness of the people; and progress of society. This is also a major issue of interest to all of us. [passage omitted]

In recent years, the CPC Central Committee issued specific instructions on work in culture, art, publication, cultural relics, and other related fields, thus correcting the guidelines for work in culture and art and more clearly pointing out the direction for the improvement of such work. Particularly since the beginning of this year, the CPC Central Committee has clearly pointed out that cultural departments should do a good job in commanding [tong shuai] large numbers of writers and artists and improving cultural exchanges with foreign countries as their important tasks. It has also pointed out that the party should exercise leadership over cultural and art work in a democratic way. It has stressed that efforts should be made to create democratic and harmonious environment for the development of cultural and art work as well as an atmosphere of mutual trust, interdependence, mutual consultation, and common promotion of our cause between party leaders and large numbers of writers and artists.

Now we can see that the environment and atmosphere for our cultural and art work are very good. It should be said that the environment and atmosphere in this regard are better than ever before.

Under such favorable conditions, we are glad to see the development of a vigorous situation in our cultural and art work, an important aspect of the socialist spiritual civilization. The principle of letting a hundred flowers blossom and a hundred schools of thought contend was put forward 30 years ago. But this principle has not been implemented until recent years.

It is in recent years that the situation of letting a hundred flowers blossom and a hundred schools of thought contend has occurred. A cultural upsurge, which symbolizes an awakening of our national spirit and national vigor and revitalization, is taking place on the vast land of China. [passage omitted]

Literary and artistic creation is an important aspect in the development of cultural undertakings. We should promote the blossoming of literature and art and bring about a new situation in which people are bold in doing creative and explorative work. In other words, we hope that large numbers of writers and artists will have their hands and feet unfettered and strive to engage in creation and exploration in order to create literary and artistic works loved by the broad masses and capable of satisfying their different needs.

It is sometimes very complicated to judge the merits and demerits of a literary or artistic work. Some people may consider a literary or artistic work very good, while others may regard it as bad or even very bad. In such a case, our party and government departments should refrain as much as possible from passing a judgment or reaching a conclusion. The masses, as well as cultural and art workers, should be allowed to discuss such works freely. The merits and demerits of a trend of thought or a literary or artistic work should be gradually understood by the test of time and by the broad masses. This will make it possible for various kinds of literary and art propositions and works to be tested in practice and by the masses. Experiences show that using such a method is more conducive to the development of literature and art. [passage omitted]

To strengthen cultural development, it is necessary to liven up mass cultural activities as an important task. In other words, we should be not only professional cultural and art workers but cultural and art amateurs as well. Ours is a big country with a population of 1 billion. It is impossible to meet the growing cultural needs of hundreds of millions of people by relying only on professional writers and artists. [passage omitted]

Strengthening cultural development also involves the reform of the cultural structure. [passage omitted] The most important thing we should do now is to reform the structure of performing arts troupes. Various responsibility systems should be instituted so that performing arts troupes and artistic workers have their definite responsibilities artistically, politically, and economically, and have greater decisionmaking power in work and in personnel and financial matters. [passage omitted]

In cultural and artistic work, we should also improve our management and operation. While firmly taking social benefits as the highest standard, we should properly handle the relationship between social and economic benefits.

In strengthening cultural development, vigorous efforts should be made to develop cultural facilities. [passage omitted] At the same time, we should ask people in various circles and governments at various levels to increase their investment in cultural undertakings. We should build as soon as possible a number of fairly modern cultural facilities capable of meeting people's needs, such as art galleries, libraries, museums, theaters, cultural and art centers, and arts institutes. [passage omitted]

SHANGHAI USING PERSUASION AGAINST DEMONSTRATORS

HK230124 Hong Kong HONGKONG STANDARD in English 23 Dec 86 p 1

[By Yau Shing-Mu]

[Text] The Shanghai government appears to be waiting to see whether persuasion works to curb student demonstrations in the city.

The government issued an internal circular last weekend asking groups, authorities and social organizations at various levels to work together to persuade the students not to join any demonstration. Parents, relatives and teachers were all mobilised.

Moreover, fearing the spillover effect of the student protest the government instructed all the units concerned to concentrate on keeping the agricultural and industrial product flowing and maintaining the market supply of daily consumer products.

The government obviously fears that if the movement and supply of the consumer goods are not under proper control and management, people other than the students will join with the demonstration and disrupt the current "stable and consolidated" situation.

Students who spoke to the STANDARD yesterday said the demonstrators in Shanghai are fighting for freedom of the press because news media do not carry their criticisms against various government policies.

Freedom of the press and speeding up the democratic reforms are two of the four demands, made by the university students in the past four days, that the municipal government has not acceded to.

"Some of the students have written articles to newspapers criticising the government policies. But editors did not use them at all. That's why we want to have greater freedom in the press," said Mr Chen Yanbin, a student at the high school attached to Fudan University.

Mr Chen, a follower rather than an active participant in yesterday's demonstration at the People's Square, like many students spoken to did not view the demonstration as aiming for more specific goals or causes.

"Clamouring for greater democracy and freedom is something vague, or perhaps unrealistic too," he said.

But "some specific targets, like bringing down the bureaucracy, are even more difficult to achieve. In fact, we are anti-bureaucracy."

Yesterday's demonstration at the People's Square consisted mainly of 1000 students of the Shanghai Railway Institute.

But it attracted more than triple that number of on-lookers and spectators who gathered at the square and followed the movements of the banner-holding students.

The banners carried such slogans as: "Freedom, Democracy, Human Rights" and "Youth Is Marching Ahead of the Time". Some proclaimed the departments the students belonged to.

A student leader said they went to the square because they missed the demonstrations of the past two days.

"We are here to support them," he said.

But no student groups from other universities appeared again, at least not in an organized form.

The students began gathering at 5 pm and disbanded an hour later. They once wanted to go beyond the square boundaries but the police were heavily on guard and stopped the procession.

Some leaders said they left the square before they had achieved their purpose.

"What we demand is written on the banners and shown to the public. That's it," they said.

The students were not certain if they would go to the square again today, though some of them were expecting a further demonstration.

Some Shanghaiese told THE STANDARD that they appreciated the students' actions, although others complained of the traffic chaos caused by the demonstrations.

They said they hoped the government would slow down the rate of inflation and keep prices stable.

They did not, however, seem to believe that they are witnessing the start of another Cultural Revolution.

"The Cultural Revolution was mobilized by some at the top. But this time it is the students who act independently and spontaneously," a common saying goes.

Yesterday the traffic was normal and the biggest demonstration took place at the People's Square in which about ten thousand people, including about 1000 students, have gathered. The square and the municipal government building at the river-front were heavily guarded by the police.

TA KUNG PAO COLUMN VIEWS SHANGHAI DEMONSTRATIONS

HK240158 Hong Kong TA KUNG PAO in English 25-31 Dec 86 p 2

["The Past Week" column]

[Text] Democracy is an elusive institution. Born from the soil of feudal monarch, it is so far the best form of majority rule, yet a full democracy is not to be found even in countries claiming the longest democratic traditions.

Invariably and inevitably a gradual process, the framework of any democracy takes decades to come into shape. When all is said and done, it is built by the minds and, indeed, the blood and tears, of those deeply aware of the potentials as well as limitations of a given set of circumstances.

By now, Chinese leaders no longer deny that the centre of the pending political reform is to give democracy a chance not only at all levels of the government but also in all institutions including the ruling CPC. For an appreciation of this bold move, it might help the outsider to keep in mind that it was made on the foundation of thousands of years of unbroken feudal rule and the dialogue in class struggle to which the country has been committed since it became a People's Republic 37 years ago.

Great upheavals like the Cultural Revolution had brought down persons of formidable power. It is a different matter, however, for old ideas which have been proven wrong to disappear from the scene. Seen in this context, it is no mean progress that, today, Chinese citizens can freely speak their minds on current affairs including short-comings in the country's political system. Their outspokenness has often horrified Hong Kong visitors who had lived on the mainland in the past and who, therefore, know only too well the consequences of the frank criticisms heard today had they been uttered in the late 50s, the 60s, and for most of the 70s.

It is to the credit of official respect for such newly-won freedoms that it was possible for the recent wave of street protest demonstrations and sit-ins staged by university students in a number of Chinese cities to take place at all. The absence of arrests, water jets, as well as the swift measures adopted to address many of the grievances voiced by the students are evidences that the official posture has not only been reasonable but also tolerant.

A fair degree of tolerance is in order because it is obviously not the wish of the government to see the students, as many as 35,000 in Shanghai according to one report, take to the streets along with their 'big character posters'. A product of class struggle, the usually vaguely signed 'posters' had brought nothing but harm to democratic forums ever since they made their debut in the devastating anti-rightist campaign of 1957.

Noteworthy were the long meetings student representatives apparently have had with responsible provincial and municipal officials. Presumably, their ideas on democratic reform would not fall on deaf ears as there is no reason to believe that their aspirations conflict with the CPC's intention to diffuse the highly concentrated power structure of the country's political system. Deng Xiaoping, for one, has said that without democracy there can be neither socialism nor socialist modernization.

In fact, the dire need for a major political overhaul in the wake of the dramatic economic restructuring had already been carefully considered at an enlarged meeting of the CPC Political Bureau in August 1980.

But Deng also said that like modernization, the process of democratization can only move forward step by step.

Unfortunately, some of the slogans that did appear during the student demonstrations revealed that their authors do not seem to realize that freedom and democracy need time to grow. A fully developed democracy is built on developments in the economy, education, science and culture, all of which China is still at pains to modernize.

The case of the Shanghai students sheds light on some of the complexities that surround the recent wave of student protests. Of the reported four demands made by the students, namely, to hasten the pace of the democratic reform, give more press freedom, recognize the legality of the parades, and refrain from making arrests, the third and fourth, though stretching far beyond the jurisdiction of the campuses, sound fair enough and have been accepted by the authorities. [paragraph continues]

The first and second, however, involve much more complex issues that require time to study. To demand an immediate answer on these questions from the mayor of Shanghai, Mr Jiang Zemin, is unrealistic to say the least.

In a city as densely populated as the main shopping and business sector of Shanghai, it can be imagined what confusion could result from the marches. The traffic stoppage has blocked many from reaching their work places and who can rule out other disruptions that have affected the city's normal operation.

Foreign sources have reported countless arrests, which were categorically denied by the municipal authorities.

In short, the tumult is hardly compatible with the sort of stable and congenial atmosphere which is paramount to the ongoing economic as well as political reforms.

The past year has seen an awareness in China that democracy, freedom, and human dignity are not dirty concepts. The new visions did not come easily and knowing the many roadblocks to any democracy it is to be hoped that all will have learnt a lesson after the incident is over.

It is high time for the Communist leadership to involve the students and all young people in a positive way in the development of democracy which should be more meaningful for the younger generation than for older people.

MAYOR ON STABILITY AT SAFE PRODUCTION MEETING

OW231800 Shanghai City Service in Mandarin 1600 GMT 23 Dec 86

[Text] Shanghai Mayor Jiang Zemin yesterday morning attended a meeting on safe production held by the Shanghai municipal people's government and emphatically pointed out: In the current reform of the economic structure, it is necessary to be liberal and flexible. However, the work on safety must be strengthened in a strict manner.

According to a statistical report prepared by the municipal Labor Bureau, the total number of deaths due to accidents in industrial and commercial work during the period from January to November this year was reduced by 9.25 percent as compared with that of the same period last year. Nevertheless, the situation of safe production is still not stable.

Mayor Jiang Zemin pointed out: After analyzing the causes of those accidents, we can see that they were mainly problems related to management. In order to improve safety in production, we must first implement safety responsibility systems at various levels.

Mayor Jiang emphatically said: We are now close to the end of the year. Accidents often happen during this period. He asked various fronts to seriously pay attention to safe production and try to prevent major accidents.

In conclusion, Mayor Jiang pointed out: We should not only pay attention to safety in production but also attach importance to social stability. In regard to those factors which are unfavorable to social stability, organizations at various levels must do a good job in ideological education in a just and forceful manner. We must cherish and preserve the current excellent situation of stability and unity.

GUANGZHOU UNIVERSITIES, COLLEGES NORMAL

HK231148 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0705 GMT 23 Dec 86

[Report by correspondents Xie Jianxu (6200 1696 4872) and Xing Jian (6717 0256): "Teaching in Guangzhou Higher Learning Institutions Proceeds Normally"]

[Text] Guangzhou, 23 Dec (ZHONGGUO XINWEN SHE) -- These reporters were informed this morning by the departments concerned that today and yesterday teaching and school life in Guangzhou higher-learning institutions proceeded as usual. The repercussions from the street procession staged by more than 300 Zhongshan University students on the afternoon of 20 December have subsided.

The latest news said that at present there were only scattered big-character posters in Zhongshan University. Students at Huanan Engineering College the Huanan Agriculture College were busy preparing for end-of-term examinations. The day before yesterday, a big-character poster was posted in the Zhongshan Medical University, demanding better treatment for students' studies under the 6-year schooling system but has so far not evoked any repercussions. Although there was a scuffle between Jinan University students and youths in the community, the students have not participated in any demonstration or rallying activities. Some students from the Guangdong Engineering College said that even if people came to the college to contact them, they would take no notice of them.

Recently, Guangdong education departments assembled persons in charge of higher-learning institutions to a forum and proposed that school leaders and teachers go among the mass of students to carry out meticulous and sound work, give them proper guidance so that they can educate themselves, and take active measures to overcome the difficulties facing them.

Sources said that some practices that had once aroused dissatisfaction among university students in Guangzhou had been corrected through the intervention by the provincial authorities. For example, frequent power failures disrupted the students' end-of-term lesson reviews. The power supply departments have ensured that power supplies for all universities will be sufficient for use before the coming winter vacation. Other problems, such as the seizure of university campuses for purposes other than teaching, poor meals, and poor public security, are being solved under intervention by the concerned authorities.

A few days ago, a big-character poster signed by "the Great Unity Branch of the Tourism Association" was posted in Zhongshan University schoolyard, calling on students to take to the streets, using money as a bait. Instead of investigating the people involved in the poster, Guangdong provincial authorities let the students discuss and evaluate it themselves. This move was well received by the students.

Yesterday afternoon, we asked departments concerned in Zhongshan University: "Have you carried out any investigation of the students who took to the streets on 20 December?" The reply was "Participating in demonstrations and processions is permitted by stipulations in the Constitution. The university authorities also indicated they would not discriminate against or conduct any "special education" among them after they returned to school from the demonstration.

On the front of the students' newspaper board, a few days ago we saw big-character posters attached. A considerable number of the posters have peeled off. Judging by the writer's names written at the end of the posters, only one or two were newly posted. One poster critical of the demonstration says: "Strolling-along-the-street type demonstrations, and chanting slogans in a frivolous way....is unlikely to solve any problems."

NEW GUANGZHOU PARTY SECRETARY DELIVERS POLICY SPEECH

HK230733 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1202 GMT 18 Dec 86

["Newly Elected Guangzhou City CPC Committee Secretary Xie Fei Delivers 'Policy Address'" -- ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 18 Dec (ZHONGGUO XINWEN SHE) -- This morning, Xie Fei, the newly elected secretary of the Guangzhou City CPC Committee, delivered a "policy address" stressing the need to arouse the people's enthusiasm and creativeness.

Xie Fei was elected at the First Plenary Session of the Fifth Guangzhou City CPC Committee, which was held yesterday afternoon. This morning, at a meeting of all the members of the new Guangzhou City CPC Committee, Advisory Committee, and Discipline Inspection Committee, he said: In appointing people, we should advocate the principle of "doing four things and not doing another four things." It is necessary to take advantage of people's strong points, but not to demand perfection; to enable people to give full play to their talents, but not to stifle real talents; to respect and cherish talented people, but not to be jealous of them; to adhere to the principle of survival of the fittest and to allow talented people to compete, but not to attach too much importance to seniority or to regard one's job as an "iron rice bowl." In conclusion, it is necessary to strive to make a success of all the work concerning man, to constantly up date our concepts, to discard outdated and backward ideas, and to build our society into one in which people respect and care for one another and in which the advanced are encouraged and the backward spurred on. Guangzhou's prosperity and development depend very much on this.

Xie Fei also pointed our that: Guangzhou's party committees at all levels and its party members should, in accordance with the party Constitution, operate within the limits permitted by the Constitution and various laws, play an exemplary role by observing the law, work and do things in accordance with the law, and combine their party spirit with their mass spirit.

Xie Fei, 54, is an alternate member of the CPC Central Committee and a deputy secretary of the Guangdong Provincial CPC Committee. In the 1950's, he worked with the South China Bureau of the CPC. He was transferred to the Guangdong Provincial CPC Committee in the 1970's. In early November this year, with the approval of the Guangdong Provincial CPC Committee, he replaced former Secretary Xu Shijie of the Guangzhou City CPC Committee, who left his post because of his old age.

GUANGDONG WORKS OUT 1987 ECONOMIC PLANS

HK221342 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1434 GMT 20 Dec 86

[Text] Guangzhou, 20 Dec (ZHONGGUO XINWEN SHE) -- According to people in the know, the Guangdong provincial government has mapped out next year's economic development plans, stressing energy and communications construction, the development of foreign trade, and the revitalization of agricultural production.

Next year, Guangdong will continue to maintain a check on capital construction, and investment in local construction projects by state-owned units will be roughly equal to that of this year. In distribution of funds and arranging projects, preference will be given to key construction projects in the areas of energy supply, communications, agriculture, scientific research, and education. Processing industry construction and the construction of luxurious hotels, commercial-residential complexes, and public amusement parks will be curtailed.

Regarding electric power construction, generators (including the ones at the Shajiao Power Plant's stations A and B) with a total capacity of 1 million kw will be put into operation to make up for the 40 percent shortage.

The major communications works to be built next year include the Yaogu-Maoming section of the Sanshui-Maoming Railroad, the Guangzhou-Foshan expressway, the Yulin-Dongfang highway on Hainan Island, the Guangzhou-Shenzhen-Zhuhai expressway, Shantou Port, and Haikou Port.

Because of the steady decrease in the area of arable land, natural calamities, the neglected condition of water works and irrigation channels, and the ecological imbalance caused by the arbitrary felling of trees, Guangdong's grain output this year has further decreased following the decrease in grain output last year. In each of these two years, Guangdong has had to import 2.5 billion kg of grain. It has imported more grain than any other province in China. Thus, the provincial government has decided that next year, it will ensure that there will be 31 mu of land for grain cultivation and that the province's grain output will reach 19 billion kg, 4.4 jin more than the output this year [figures as received].

In addition, the Guangdong provincial government has decided to further expand enterprises' decisionmaking power; to apply the system whereby plant directors assume full responsibility, and the system of fulfilling certain targets within fixed terms of office; to allow collectives and individuals to run small state-owned enterprises on a contract or lease basis; to lease some medium enterprises on an experimental basis; and to apply the partnership system in some large or medium enterprises in 1987.

Helping the poverty-stricken counties in the mountainous parts of the province is also an important part of Guangdong's production and construction work next year.

It is reported that this year, Guangdong's GNP is 64.7 billion yuan, a 9.6 percent increase over last year, and its gross industrial and agricultural output value is 76.2 billion yuan, up 9 percent from last year and slightly higher than the national average. According to tentative plans, Guangdong expects a 9 percent increase in both its GNP and gross industrial and agricultural output value next year.

BEIJING STUDENTS MARCH TO TIANANMEN SQUARE

HK231604 Hong Kong AFP in English 1600 GMT 24 Dec 86

[Text] Beijing Dec 23 (AFP) -- Student demonstrations in China spread to Beijing for the first time Tuesday as police were called in to hold back the protests, witnesses said.

Some 3,000 students took to the streets of the capital to demonstrate their support for calls by their colleagues in Shanghai for more democracy and press freedom in China, the witnesses said.

The students marched peacefully out of Beijing University late in the evening and split into two groups when they reached the People's University. One group of around 1,000 students started making their way on foot and by bicycle to Tiananmen Square in the centre of Beijing shouting "Long live liberty", "Long live democracy" and "Solidarity with our Shanghai colleagues".

The students said they also wanted press freedom and voiced their support for students in the city of Hefei who were the first to take to the streets in the current wave of protests on December 9. Tens of thousands of students wanting more democracy and press freedom have demonstrated in Shanghai in recent days, but until now there has been no student unrest in Beijing.

Police were called in and formed a cordon in an attempt to prevent the Beijing marchers from reaching Tiananmen Square, but they were eventually forced to let the students through, witnesses said. The students continued to make their way to the centre of the city as they were accompanied by police cars and motorcycles. Meanwhile, the second group stayed behind at the People's University partially blocking traffic, witnesses said.

The students said that earlier in the day their colleagues from Qinghua University, also in the capital, had asked for a meeting with the authorities. When this request was turned down, the Qinghua students went to Beijing University and called on students there to join in a demonstration. Witnesses said notices had been posted in the canteen at Beijing University giving full details of the demonstrations in Shanghai and calling for support.

Observers said that the Beijing demonstrations, coming on top of student protests in 10 other Chinese cities, increased the pressure on the government. Students at Beijing universities have said that in recent weeks they were under heavy pressure not to take part in the growing demonstrations.

In Shanghai where the biggest student demonstrations had been held over the weekend, life returned to normal Tuesday, as a Government ban proved effective. Small groups were seen quietly reading announcements by city officials and the Public Security Bureau -- China's police force -- banning public demonstrations without a police permit. The posters also said that all citizens should act in the interests of unity and stability.

The last burst of protest appeared to have been Tuesday at around 3 a.m. (1900 GMT Monday) in People's Square, where a crowd occasionally broke into song and cheers. Police were not visible and the crowd dispersed before dawn.

UNIVERSITY TO TAKE MEASURES AGAINST DEMONSTRATORS

HK241158 Hong Kong AFP in English 1143 GMT 24 Dec 86

[Text] Beijing, Dec 24 (AFP) -- University authorities here said Wednesday they would take measures against "anti-constitutional" behaviour following the first demonstrations on Beijing by students wanting more democracy and freedom.

Meanwhile, the campuses themselves appeared calm.

A spokesman for the authorities at Qinghua University said measures would be taken to "put an end to behaviour that is anti-constitutional and undermines public well-being."

On Tuesday students from Qinghua University demanding more democracy and freedom of the press marched peacefully to Beijing, Beida and the People's Universities in turn. Their number swelled to 3,000 before they dispersed early Wednesday.

The Qinghua University spokesman said six ringleaders of the student unrest had been identified, and that it was possible "bad elements" had been involved. These six had a two-hour meeting with the director of the Communist-Party Secretariat at the university, and later four of them organized the demonstration, the spokesman said.

Big-character posters — notices written in large Chinese charactes -- were put up in Qinghua University before Tuesday's march. These disappeared, only to be replaced by others.

University officials Wednesday, however, stopped an AGENCE FRANCE-PRESSE correspondent from reading or photographing them. The authorities summoned the correspondent to the university's Foreign Affairs Office, where they told him that journalists were not allowed on campuses unless they had asked permission. Until now there had been no control on access to campuses here.

"We've suffered from big-character posters before," said one official who said he was a fibre-optics teacher at the university. He added that the authorities were against the publication of the contents of such posters.

The Qinghua University spokesman said dialogue with the students was possible, but only in a good atmosphere. He said that the students had "tricked the university and tricked the masses" by demonstrating.

Students on the campus said the calm on the surface there belied the turnoil underneath. They said Tuesday's demonstration was not part of a movement, but "an occasion to express our feelings and disgruntlement."

A wave of student demonstrations about various grievances has swept across at least 11 Chinese cities since December 9. While deploring the silence of China's officially controlled press about student demonstrations, students said press coverage had improved in China. "If we are able to demonstrate for democracy," said one, "its also because newpapers have spoken about it this year."

Another, who said he was a member of the Communist Party, implicity denounced the demonstrations, saying he thought the times was not ripe to press issues like democracy.

One said Chinese workers "still thought differently from students," and that thousands of workers that had joined student demonstrations in Shanghai "were thinking more about their low pay and rising prices than about democracy."

Beijing, remarked one, is different from the rest of China: "This is where the power lies."

BEIJING MAYOR ON ROLE OF UNIVERSITY STUDENTS

OW231652 Beijing XINHUA Domestic Service in Chinese 1424 GMT 23 Dec 86

[By reporters He Qing and Zhang Huixian]

[Text] Beijing, 23 Dec (XINHUA) -- Chen Xitong, mayor of Beijing Municipality, this evening attended a get-together of cultural activists of schools of higher learning at the Great Hall of the People in Beijing to greet the coming New Year's Day. He said to the students: "I hope you will cherish the fine conditions provided by the people and study hard to be ready to make contributions to China's four modernizations."

More than 500 cultural activists from some 70 schools of higher learning in Beijing, including those from Beijing University and Qinghua University, attended this evening's get-together. Since early December, schools of higher learning in Beijing have held cultural activities and art festivals. More than 100,000 university students have taken part in those cultural activities including performances of theatrical works, singing, dancing, and writing poems.

He Dongchang, vice minister in charge of the State Education Commission, and Wang Meng, minister of culture, both praised and affirmed university students' enthusiasm and talent in holding art festivals. They are convinced that those activities have enriched university students' cultural life and have a positive meaning in raising university students' cultural level. Li Ximing, secretary of the Beijing Municipal CPC Committee, was among those who attended this evening's get-together.

BEIJING ISSUES CIRCULAR ON PARTY RECTIFICATION

SK231258 Beijing BEIJING RIBAO in Chinese 13 Dec 86 p 1

[Text] The party rectification guidance group of the municipal party committee recently issued a circular which called on all units to make part rectification work successful from start to finish. The circular demands:

1. We should grasp grass-roots party rectification in a down-to-earth manner, particularly village-level party rectification in suburban areas. At present, there are two major points in municipal grass-roots party rectification -- village-level party rectification with the participation of 110,000 party members, and party rectification among grass-roots units of industrial departments with the participation of 34,000 party members. Judging from the entire situation, village-level party rectification plans are appropriate and preparations are sufficient. The leaders' grasp of the work and the situation has been good. In the near future, while attending to education, fostering a new concept compatible with rural reform and the development of the commodity economy, carrying out democratic life activities, and persisting in conducting rectification and making corrections simultaneously, we should pay attention to two problems. [paragraph continues]

First, we should not ignore the handling of cases of abusing one's power to seek personal gains and serious law and discipline violations and should see to it that all cases are handled conscientiously and in a fact-finding manner. Second, we should know and analyze the actual situation of registering party members and adopting organizational measures and study problems we may come across at an early date.

2. We should genuinely solve leftover problems during party rectification and mainly grasp four tasks well. First, we should continue to overcome the situation in which some units have failed to strictly and earnestly deal with registering party members and organizational measures. Presently, the major problem is that the criterion for registering party members is not too strict, but too lenient. During registration of party members and adoption of organizational measures, it is necessary to overcome the erroneous ideology of "making everyone happy by registering party members arbitrarily," and to adhere to the requirements for party members. Second, all departments, commissions and offices under the municipal party committee and all districts, counties and bureaus should give a namelist of those units that have poorly and perfunctorily carried out party rectification work, and put forward relevant measures to solve problems in line with their actual situation. Third, we should strive to learn from units that have completed party rectification tasks the number of party members who have failed to participate in party rectification, know the reasons for their failure, and put forward plans for taking remedial measures within a definite time. Fourth, we should carefully and conscientiously handle appeals from party members.

3. We should do a good job in summing up party rectification work. The scale of this party rectification is the largest ever in our party's history. This party rectification is profound practice for self-improvement and perfection of party building and the party's work during the new historical period. Like other localities around the country, developing municipal party rectification has been sound. We have thoroughly discarded the past erroneous "leftist" way of doing things, scored remarkable achievements, and accumulated experience in solving inner party contradictions under the new given historical conditions. Conscientiously summing up party rectification work is an important measure in fulfilling party rectification work from start to finish.

4. We should consolidate and develop achievements in party rectification, improve inner party political life, and strengthen the vitality of party organizations and their ability to become immune. Recently, Comrade Deng Xiaoping pointed out that one of our country's political structural reform objectives is to maintain the vitality of the party and the state. Comrade Hu Yaobang has stressed on several occasions that it is necessary to strengthen the ability of party organizations to "create blood" and to become immune. Party committees at all levels should conscientiously implement the principle of "making all party members manage party affairs," strengthen the building of grass-roots organizations, seize the opportune time after party rectification to consolidate and develop achievements in party rectification, and include them in their daily party building plans and turn them into a system and a regular practice.

POSTERS URGE TIANJIN STUDENTS TO DEMONSTRATE

HK240946 Hong Kong AFP in English 0938 GMT 24 Dec 86

[Text] Beijing, Dec 24 (AFP) -- The situation on campuses in the major northeastern port city of Tianjin was tense Wednesday as posters went up calling on students to demonstrate Wednesday evening, an eyewitness said.

One of the posters up in Nankai University said that students in Beijing and Shanghai were "struggling for liberty", the eyewitness said over the telephone. The poster called for a protest during the evening "to support the demonstrations in Shanghai and Beijing," the eyewitness added. He said that another poster, signed by "The Statue of Liberty", said: "Nankai students who have been quiet for so long have finally come out of the clouds."

The poster said it was time "to awaken the masses and to forge a real democracy and a free society.... let's follow the example of Shanghai, and get off the campus and into society," the poster said, according to the eyewitness. He said that the situation on the campuses was tense.

The eyewitness said that many students had said they would demonstrate during the evening in the streets of Tianjin, a city of eight million 120 kilometres (75 miles) from Beijing. Students in Tianjin have not held any demonstrations similar to those which have occurred in other Chinese cities since the start of the month, but last week students there persuaded local authorities to go back on their choice of candidates for local elections.

1,000 TIANJIN STUDENTS DEMONSTRATE FOR DEMOCRACY

HK241254 Hong Kong AFP in English 1250 GMT 24 Dec 86

[Excerpts] Beijing, Dec 24 (AFP) — About 1,000 students in Tianjin demonstrated Wednesday in support of calls by their colleagues elsewhere in China for more freedom and democracy, a witness said. The students gathered on the campus of Nankai University in the northeastern Chinese city in response to posters there appealing for solidarity with students in at least 11 other Chinese cities who have taken to the streets since December 9 to voice various demands.

They marched peacefully, carrying banners bearing slogans including "Liberty and democracy" and "Struggle for freedom", the witness said in a telephone interview from the big northeastern port.

Earlier a witness had said over the telephone that one poster up in Nankai University stated that students in Beijing and Shanghai were "Struggling for liberty" and called for a protest to support these demonstrations. [passage omitted]

Students in Tianjin -- A city of eight million 120 kilometres (75 miles) from here -- had until the turnout Wednesday evening not staged demonstrations similar to those in other cities.

Last week, however, Tianjin students had persuaded local authorities to go back on their choice of candidates for local elections.

PRC OFFICIAL COMMENTS ON HONG KONG, MACAO ISSUES

HK190723 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1236 GMT 18 Dec 86

["Lu Ping on Hong Kong, Macao Issues" -- ZHONGGUO XINWEN SHE headline]

[Text] Zhongshan, 18 Dec (ZHONGGUO XINWEN SHE) -- Lu Ping, secretary general of the State Council's Hong Kong and Macao Affairs Office, today said that the work groups of the Sino-Portuguese talks have begun their work, and their task is to discuss and work out the details of the joint declaration of the Chinese and Portuguese Governments and the relevant agreements, including the drafting of the joint declaration. Lu Ping said that after the conclusion of the Sino-Portuguese talks, the two sides will issue a joint declaration, which will also have some annexes. But there will not be an annex about the land issue. He said that he did not know the exact date for the fourth round of the Sino-Portuguese talks.

Lu Ping today attended a joint meeting of the first executive council of the Huo Yingdong Education Fund and its advisory committee and the Zhongshan hot springs, in Guangdong Province. There he was interviewed by this reporter and made the above remarks. When talking about the drafting of the Hong Kong basic law, he said that the work is progressing smoothly. The recent meeting of the drafting committee in Beijing mainly discussed the relationship between the central authorities and the special administrative region and the rights and duties of the residents. The clauses on these two points have been basically drafted. At present, the main difficulty lies in the issue of the political structure. There remain substantial difference in this regard among members of the Basic Law Drafting Committee and among the general public of Hong Kong.

MACAO

GOVERNOR HOPEFUL FOR 'BRIGHT FUTURE' FOR MACAO

HK180344 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1024 GMT 17 Dec 86

[Report by Zhong Zhengxiang (6988 1767 4382): "Macao Will Have a Bright Future -- Interview with Macao Governor Pinto Machado"]

[Text] Macao, 17 Dec (ZHONGGUO XINWEN SHE) -- "Macao is a place with a bright future, and my task is to ensure that Macao will continue to develop and the residents here will continue to live in a harmonious and stable environment." Macao Governor Pinot Machado yesterday told this reporter of his hopes at an interview in Macao's Government House.

"What is the deepest impression that Macao has left on you?" After the reporter raised the first question, Mr Machado smiled in a relaxed manner and answered: "The area of Macao is small, but 'a small sparrow also has all the vital organs in its body.' There are also a great many complicated problems in Macao, and Macao has both positive and negative factors. In general, the positive things are the main stream."

Mr Machado took office in Macao on 28 May this year when he received the "city's key" at the City Hall, and he indicated that he would pursue "benevolent government" in Macao. The 400,000 Macao residents also placed hope in the first civilian governor in more than 40 years.

"What is the question that you pay most attention to in Macao?" Mr Machado did not answer this question directly, but spoke with high interest about his blueprint for Macao's development in the near future, which is also his recently published administration program. It includes economic, cultural, educational, administrative, and legal aspects:

-- In the economic field, Macao will diversify its industrial products, improve product quality, and expand overseas markets. At the same time, Macao will further develop its tourist industry and strengthen its position in the finance field.

-- In the capital construction field, Macao will build more power, telecommunications, and transport facilities so as to improve its investment environment. Another new bridge will be built between Macao and the offshore island of Taipa. A deep-water port will also be built. A feasibility study for an international airport is under way.

-- In the field of education, culture, and sports, Macao will improve school facilities, build better premises for schools, increase the number of teachers, guarantee schooling for all school-age children, provide allowances for children from poor families, and open an art school to enable people to study music, dance, art, and photography. A new stadium will be built on the island of Taipa to promote the development of sports.

-- In the field of public health, Macao will build more clinics in various districts to provide the residents with free elementary medical services.

-- In the legal and administrative field, Macao will set up a complete court, which will handle all legal procedures from first to last. A Sino-Portuguese bilingual system will be carried out, and laws will be translated into Chinese. Civil servants will be encouraged to master the two languages. More local people will join civil service. Regulations on local autonomy will be enacted to enable residents to directly participate in local affairs. In addition, the Macao Government will also improve people's housing, improve the electronic mass media, and so on. This administrative program has been approved by Macao's legislative council. Mr Machado said that great efforts will be made to fulfill this program.

He said that Macao's relations with Mainland China are of great importance, and his government will strengthen cooperation with China, especially with Guangdong Province and the adjacent Zhuhai Special Economic Zone. He said that he was just trying to realize a Sino-Portuguese cooperation project. Before the interview, he had just received several Portuguese businessmen who planned to open a ceramic plant in Macao, and China will also take part in this project.

When talking about Macao's economic relations with Hong Kong, the governor said: There are very close economic relations between Macao and Hong Kong. A great many consumer goods in Macao come from Hong Kong; many banks in Macao are branches of their Hong Kong headquarters; and traffic between the two places is heavy and brisk. However, he said, Macao and Hong Kong should have one more partner. That is Guangzhou. Then, they form a triangle around the Zhujiang Delta. The three cities have many similar points and respective advantages, so they should complement one another.

As far as the Sino-Portuguese talks currently in the news are concerned, Mr Machado said the talks are historic. China is a big country, and Portugal is a small country, but both the Chinese and Portuguese peoples are great peoples with a wide breadth of mind and profound knowledge. It is believed that the two government delegations representing their peoples will certainly find a proper solution for the Macao issue. Macao will have a bright future.